

TYSON FOODS INC

FORM 10-K (Annual Report)

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Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
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Sector	Consumer/Non-Cyclical
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934
For the fiscal year ended October 1, 1994

Transition Report Pursuant to Section 13 or 15(d) of the Securities

Exchange Act of 1934
For the transition period from _____ to _____
Commission File No. 0-3400

TYSON FOODS, INC.

(Exact Name of Registrant as specified in its Charter)

Delaware 71-0225265

(State or other jurisdiction of (I.R.S. Employer Identification No.)

incorporation or organization)

2210 West Oaklawn, Springdale, Arkansas 72762-6999

(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code (501) 290-4000 Securities registered pursuant to Section 12(b) of the Act:
Not Applicable

Securities registered pursuant to Section 12(g) of the Act:
Class A Common Stock, Par Value \$.10

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K.

On October 1, 1994, the aggregate market value of the Class A Common and Class B Common voting stock held by non-affiliates of the registrant was \$1,671,325,608 and \$1,353,552 respectively.

On October 1, 1994, there were outstanding 76,745,002 shares of the registrants Class A Common Stock, \$.10 par value, and 68,455,438 shares of its Class B Common Stock, \$.10 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents or the indicated portions thereof are incorporated herein by reference into the indicated portions of the Form 10-K: (i) pages 19-44 of registrant's Annual Report to Shareholders for fiscal year ended October 1, 1994, (the "Annual Report") which are filed as exhibit 13 to this Form 10-K and (ii) the registrant's definitive Proxy Statement for the registrant's Annual Meeting of Shareholders to be held January 13, 1995, as filed with the Commission on December 6, 1994 (the "Proxy Statement").

PART I

Item 1. Business

Pages 22-26 of registrant's Annual Report under the caption "Management Discussion and Analysis."

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder

Matters

Page 42 of the Annual Report under the caption "Price of Company's Common Stock."

Item 6. Selected Financial Data

Pages 20-21 of the Annual Report under the caption "Eleven-Year Financial Summary."

Item 7. Management's Discussion and Analysis of Financial Condition

and Results of Operations

Pages 22-26 of the Annual Report under the caption "Management Discussion and Analysis."

Item 8. Financial Statements and Supplementary Data

Pages 27-44 of the Annual Report under the captions "Consolidated Statements of Operations," "Consolidated Balance Sheets," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements," and "Report of Independent Auditors."

Part III

Item 10. Directors and Executive Officers of the Registrant

The information set forth under the caption "Election of Directors" and "Compliance with Section 16 (a) of the Securities Exchange Act of 1934" in the Proxy Statement.

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation and Other Information" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and

Management

The information set forth under the captions "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information set forth under the caption "Certain Transactions" in the Proxy Statement.

PART I

ITEM 1. BUSINESS

General

Tyson Foods, Inc. and its various subsidiaries (collectively, the "Company" or "Tyson") produce, market and distribute a variety of food products consisting of value-enhanced poultry; fresh and frozen poultry; value-enhanced beef and pork products; fresh and frozen pork products; value-enhanced seafood products; fresh and frozen seafood products; and flour and corn tortillas, chips and other Mexican food-based products. Additionally, the Company has live swine, animal feed and pet food operations. The Company's integrated operations consists of breeding and rearing chickens and hogs, harvesting seafood, as well as the processing, further processing and marketing of these food products. Additionally, the Company processes and markets beef products. The Company's products are marketed and sold to national and regional grocery chains, regional grocery wholesalers, clubs and warehouse stores, military commissaries, industrial food processing companies, national and regional chain restaurants or their distributors, international export companies and domestic distributors who service restaurants, foodservice operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Sales are made by the Company's sales staffs located in Springdale, Arkansas, in regions throughout the United States and in several foreign countries. Additionally, sales to the military and a portion of sales to international markets are made through independent brokers and trading companies. The Company conducts the major portion of its business activities on a vertically integrated basis and considers its business to be one industry segment, that of "food products." The Company commenced business in 1935, was incorporated in Arkansas in 1947, and was reincorporated in Delaware in 1986.

Description

Originally, the Company was a producer and distributor of fresh chicken. The Company developed a strategy to insulate itself from the commodity nature of the fresh chicken business through value-enhancement. As the industry leader in value-enhanced poultry products, the Company utilizes national and regional advertising, special promotions and brand identification, and meets the varying demands of its customers through capital expenditures and strategic acquisitions. With further-processed poultry products, grain costs, as a percentage of total product costs, are reduced because of the value added to the products by cutting, deboning, cooking, packaging or freezing the poultry. As a result, management believes the Company's profitability is more dependent upon product quality, marketing and service than on grain and broiler prices.

The Company's integrated poultry processes include genetic research, breeding, hatching, rearing, ingredient procurement, feed milling, veterinary and other technical services, and related transportation and delivery services. The Company contracts with independent growers to maintain the Company's flocks of breeder chicks which, when grown, lay the eggs which the Company transfers to its hatcheries and hatches into broiler chicks. Newly hatched broiler chicks are vaccinated and are then delivered

to independent contract growers who care for and feed the broiler chicks until they reach processing weight, usually from the end of the fourth to the eighth week. During the broiler growout period, the Company provides growers with feed, vitamins and medication for the broilers, if needed, as well as supervisory and technical services. The broilers are then transported by the Company to its nearby processing plants. The Company processed approximately 3.9 billion pounds of consumer poultry during fiscal 1994.

The Company's farrow-to-finish swine operations, which include genetic and nutritional research, breeding, farrowing and feeder pig finishing and the marketing of live swine to regional and national packers, are conducted in Alabama, Arkansas, Missouri, North Carolina, and Oklahoma. The Company sold approximately 884,000 head of market weight live swine in fiscal 1994. With the addition of pork slaughtering facilities more of the Company's live swine are being processed. The Company utilizes dedicated processing facilities to produce a variety of value-enhanced beef, pork and Mexican food-based products. The Company processed approximately 518 million pounds of consumer beef and pork during fiscal 1994.

The Company's by-products operations converts inedible poultry by-products into high-grade pet food and animal feed.

In the first quarter of fiscal 1993, the Company acquired Arctic Alaska Fisheries Corporation ("Arctic"), a seafood processing company and certain assets of Oscar Mayer Foods Corporation known as Louis Kemp Seafood Company ("Louis Kemp"), a seafood further-processing company.

With the acquisition of Arctic, the Company acquired the largest catching and at-sea processing fleet in the North Pacific. These vessels harvest a wide range of species of bottomfish and shellfish year-round off the coasts of Alaska, Washington and Oregon. The catch is either processed at sea or in shore-based processing facilities into a variety of product forms, which are marketed in the Far East, primarily in Japan, and in the United States under the Arctic Ice trademark. Arctic's primary products are cleaned whole fish, crab, surimi paste, cod fillets and pollock fillets. The Company's long-term strategy for seafood products continues to be a plan of using its marketing and distribution channels to expand sales opportunities while using its research and development resources to create additional value-enhanced seafood products. The Company has integrated Arctic and Louis Kemp by supplying Louis Kemp with Arctic's products as needed.

Recent Acquisitions

On January 6, 1994, the Company acquired Gorges Foodservice, Inc. ("Gorges") and certain related assets. Gorges is a beef further-processing company with annual sales of approximately \$55 million. The purchase of Gorges strengthens the Company's market share in beef by expanding further-processed categories with particular emphasis on school products.

On April 19, 1994, the Company increased its 18% ownership to 50.1% in Trasgo, S.A. de C.V. ("Trasgo"). With annual sales of approximately \$140 million, Trasgo is the third largest poultry producer and processor in Mexico, serving both retail and foodservice markets. Trasgo is one of the most modern poultry operations in Mexico with significant expansion capabilities.

Effective July 3, 1994, the Company acquired certain assets of Culinary Foods, Inc. ("Culinary"), a manufacturer and processor of high quality, value-added specialty frozen foods with annual sales of approximately \$70 million. Its customers include business and industry, restaurants, hotels, airlines, club stores, hospitals and caterers. The acquisition of Culinary, and its Lady Aster line of products, gives the Company capabilities for fully-prepared meat products, entrees, sauces and gravies to complement its Signature Specialties line.

On August 18, 1994, the Company increased its 50% ownership interest to 100% in Cobb-Vantress, Inc. ("CVI"), one of the world's leading suppliers of breeding stock to the broiler industry, with annual sales of approximately \$35 million, excluding sales to Tyson. Ninety percent of CVI sales, excluding sales to Tyson, are outside the United States and CVI has a major distribution outlet in the United Kingdom.

Sources of Revenue

During the past fiscal year the principal revenue sources of the Company included value-enhanced poultry products, fresh and frozen poultry products, value-enhanced beef and pork products, Mexican food-based products, frozen dinner products, seafood products, live swine and related operations, animal foods, by-products, and other miscellaneous products. The following table sets forth the relative sources of the Company's revenues for the last three fiscal years.

	For Fiscal Year Ended		
	1994	1993	1992
Consumer poultry products:			
Value-enhanced poultry	(1) 65%	67%	73%
Basic poultry	(2) 10	8	8
	---	---	---
Total consumer poultry	75	75	81
Beef, pork, Mexican food-based products, live swine and other prepared foods	(3) 18	17	17
Seafood	5	5	0
Animal foods, by-products and other	2	3	2
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Total	100%	100%	100%

(1) Includes products such as chicken patties and nuggets, pre-cooked chicken, individually-quick-frozen chicken segments, pre-packaged and pre-priced poultry, Cornish game hens and other poultry products to which certain processes are added to enhance its value to the Company's customers.

(2) Includes fresh and frozen poultry products sold without value enhancements. The increase in this category for fiscal 1994 results from the acquisition of a controlling interest in Trasgo, which currently does not have a significant amount of value-enhanced products.

(3) Includes value-enhanced beef and pork products such as portion controlled steaks, chops and roasts, ground beef, chicken-fried steaks, meatloaf, hams, bacon and sausages; flour and corn tortillas, corn chips, taco shells and filled tortilla specialty items; premium frozen dinners and other specialty items.

Marketing and Distribution

The Company seeks to develop and increase the demand for and market share of a product or product line through concentrated national and local advertising and other promotional efforts stressing product quality, brand identification and meeting specific customer requirements. The Company's principal marketing strategy is to identify target markets for value-enhanced food products consisting primarily of poultry, beef, pork, Mexican food-based products and seafood. The Company concentrates production, sales and marketing efforts in order to appeal to and enhance the demand from those markets. The Company utilizes its national distribution system and customer support services to achieve a dominant market position for its products. The Company identifies distinct markets through trade and consumer research.

The Company's nationwide distribution system utilizes a network of food distributors which is supported by cold storage warehouses owned or leased by the Company, by public cold storage facilities and by the Company's transportation system. The Company ships products from two Company-owned major frozen food distribution centers having a storage capacity of approximately 58 million pounds, from a network of public cold storages, from other owned or leased facilities or directly from plants. The Company has a total frozen storage capacity in excess of 125 million pounds, excluding public or outside cold storage. The Company's distribution centers facilitate accumulating frozen products so that the Company can fill and consolidate less than truckload orders into full truckloads, thereby decreasing shipping costs while increasing customer service. In addition, customers are provided with a selection of products that do not require large volume orders. The Company's distribution system enables it to supply large or small quantities of products to meet customer requirements anywhere in the continental United States.

The Company's food products are sold primarily in three broad domestic markets consisting of foodservice, retail and wholesale club. The foodservice, retail and wholesale club markets may, in some cases, overlap. The Company's food products are also sold internationally.

In the foodservice market, the Company sells poultry, beef, pork, seafood and tortilla products. Operators serving these products include full-service restaurants, fast-food restaurants, hotels, motels, retail, recreation, healthcare, schools, colleges, business and industry and other foodservice accounts. The Company's products are sold through foodservice and specialty distributors who deliver to the above listed operators.

Foodservice products are sold under the following brands and trademarks: Tyson, Holly Farms, Weaver, Tastybird, Tastybasted, Honey Stung, Tyson's Pride, HoneyBest, Wing Stingers, W.W. Flyers, Signature Specialties, Flavor-Redi, Tyson To Go, Mexican Original,

Tyson beef, Quick-to-Fix, Tyson pork, Louis Kemp, Arctic Ice, Enterprise, Crab Delights, Lobster Delights, Ocean Master and Sure Salad.

These products include: (a) poultry items such as individually-quick-frozen (IQF) segments, ready-to-cook and fully-cooked fried chicken, fully-cooked, breaded and glazed wings, cooked and ready-to-cook breaded and unbreaded tenderloins, cooked and ready-to-cook breaded and unbreaded patties and chunks, oven roasted chicken, stuffed breast specialties, split broilers, Cornish hens, commodity breast, flavor marinated breasts, fully-cooked diced chicken products and breaded breast and thigh pieces and strips; (b) beef items such as chicken-fried steaks, portion controlled steaks, prime rib and roasts, charbroiled beef patties, ground beef, and beef specialties such as meatballs, Salisbury steak and meatloaf; (c) pork items such as hams, ham loaf and ham patties, sausages including polish, knockwurst and bratwurst, frankfurters, bulk and pre-sliced deli-meats, fully-cooked pork specialties including rib and loin products, pork chops, pork roasts and pork ribs; (d) Mexican food-based items such as flour and corn tortillas and chips; and (e) seafood items such as surimi, snow crab, king crab, pollock, cod, and several species of flatfish.

In the retail market the Company sells a wide variety of food products to customers that sell food products for at-home consumption. These customers include grocery store chains, independent grocery stores and grocery wholesalers.

Retail products include: (a) frozen prepared foods consisting of separate lines of Tyson breaded chicken patties, chunks, fillets and tenders; Weaver breaded chicken tenders, nuggets, patties and fillets; Tyson premium plated dinners; Tyson flavored chicken wings; Tyson complete meal kits; Tyson premium pot pies; Tyson Healthy Portion meals; Tyson individually-quick-frozen chicken parts and breaded chicken patties and chunks; Weaver fried chicken; and Tyson pork rib and beef rib patties; (b) refrigerated prepared foods consisting of separate lines of Tyson Holly Farms roasted ready-to-eat chicken; Tyson and Weaver sliced lunch meat; Tyson, Weaver and Holly Farms hot dogs; Tyson and Weaver deli meats; Mexican Original tortillas, chips, and taco shells; and Tyson ham and specialty meats; (c) refrigerated Tyson Holly Farms chill pack poultry; (d) refrigerated Tyson case-ready pork products; (e) frozen and refrigerated Tyson Cornish game hens; and (f) seafood products which are marketed under the Louis Kemp brand of Crab Delights and Lobster Delights.

In the wholesale club market the Company designs and markets a variety of products targeted to small foodservice operators and large families who frequent club stores. These products are aimed at both foodservice operators who buy in small quantities and want to cut costs of storage and final distribution, as well as retail consumers willing to buy larger than normal quantities to realize cost savings. The Company sells several categories of products including: IQF chicken, fresh chicken, refrigerated roasted ready-to-eat chicken, frozen value-added chicken, canned chicken; frozen value-added beef and pork products, fresh pork products; surimi, frozen pollock, cod and crab legs.

The Company's international division markets and sells the full line of Tyson products, including beef, pork, seafood and Mexican food-based products, throughout the world. The international division exported to 43 countries in fiscal 1994. Major markets include Japan, Russia, Hong Kong, Singapore, and China. The Company also exported to Canada, Mexico, certain Middle Eastern countries, and many countries in the Caribbean. The Company's foreign sales for fiscal 1994, 1993, and 1992 totaled \$537.9 million, \$352 million and \$192.5 million, respectively. The increase in 1994 foreign sales was due primarily to sales on leg quarter contracts to Russia, increased sales to national foodservice accounts, primarily large U.S. chain accounts expanding in foreign markets and sales of chicken paws or feet to China and Hong Kong. Additionally, approximately 31% of the increase was due to the acquisition of Trasgo. The majority of the Company's export sales consists of commodity dark meat and wings.

The Company has targeted China as a potential operational base in which to develop fully-integrated poultry and pork facilities. These facilities would not only service the needs of the local markets in China but will also be an export supplier to other Asian countries in conjunction with the Company's exports from the United States. CVI recently entered into a joint venture agreement with a Hong Kong company to build a 180,000 capacity breeder farm in China. The Company also has a seafood processing joint venture in Shanghai, China. This joint venture is engaged in value-added processing of seafood items.

Financial Instruments

The Company has entered into foreign exchange forward contracts to hedge some of its foreign currency exposure. Foreign exchange forward contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. The Company uses such contracts to hedge exposure to changes in foreign currency exchange rates associated with certain assets and obligations denominated in foreign currency. Gains and losses on these contracts are recognized concurrently with the transaction gains and losses from the associated exposure. At October 1, 1994, the Company had outstanding forward exchange contracts, maturing on October 31, 1994, to sell \$9.1 million of foreign currency (principally Japanese yen). These forward exchange contracts hedge balance sheet and operating income currency exposures.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. At October 1, 1994, the Company does not have significant credit risk concentrations. No single group or customer represents greater than 10% of total accounts receivable.

Raw Materials and Sources of Supply

The major raw materials used by the Company in its poultry operations consists of feed ingredients, cooking ingredients, packaging materials and cryogenic agents. The Company believes that its sources of supply for these materials are adequate for its present needs and the Company does not anticipate any difficulty in acquiring these materials in the the future. While the Company produces substantially all of its inventory of breeder chickens, live broilers and swine, it has the capability to purchase live, ice-packed or deboned poultry to meet poultry production requirements. Raw materials for the Company's beef operations are purchased through the open market. While a substantial amount of the raw material requirements for the Company's pork operations are provided by live swine rearing operations, some requirements may be met by purchasing from other suppliers.

In addition, raw material requirements for the Company's seafood operations are met by Arctic's vessels harvesting a wide range of species of bottomfish and shellfish year-round off the coasts of Alaska, Washington and Oregon. A large supply of bottomfish, one of the principal groups of fish harvested for human consumption, is found in the 200-mile U.S. exclusive economic zone off the coast of Alaska. This area also provides a significant quantity of crab for commercial harvesting. Following passage of the Magnuson Fishery Conservation and Management Act of 1976, the United States extended control over the management of offshore fishing resources from a 12-mile to a 200-mile exclusive economic zone by, among other things, establishing annual catch limits and allocating the available resources between U.S. and foreign catchers and processors. As a result of these government actions the Company's ability to harvest seafood is subject to these limitations.

Patents and Trademarks

The Company has registered a number of trademarks relating to its products which either have been approved or are in the process of application. Because the Company does a significant amount of brand name and product line advertising to promote its products, it considers the protection of such trademarks to be important to its marketing efforts. The Company has also developed non-public propriety information regarding its production processes and other product-related matters. While the Company utilizes internal procedures and safeguards to protect the confidentiality of such information, it does not generally seek patent protection for the technology it utilizes.

Seasonal Demand

The demand for the Company's products generally increases during the spring and summer months and generally decreases during the winter months. Because of the somewhat seasonal character of the Company's business, the Company may increase its finished product inventories during the winter months in anticipation of increased spring and summer demands.

Industry Practices

Due primarily to the perishable nature of its products, industry practice and the fluctuation in demand and price for such products the Company's agreements with its customers are generally short-term, verbal agreements.

Customer Relations

No single customer of the Company accounts for more than 10% of the Company's consolidated revenues, and the loss of any single customer would not have a material adverse effect on the Company's business. Although any extended discontinuance of sales to any major customer which is not replaced could have an impact on the Company's operations, the Company does not anticipate any such occurrences due to the demand for its products and its ability to obtain new customers.

Backlog of Orders

There is no significant backlog of unfilled orders for the Company's products.

Competition

The Company's food products compete with those of other national and regional food producers and processors and certain prepared food manufacturers. Additionally, the Company's food products compete in international markets in Europe, South America, Central America and the Far East. The Company's principal marketing and competitive strategy is to identify target markets for value-enhanced products, to concentrate production, sales and marketing efforts in order to appeal to and enhance the demand from those markets and, utilizing its national distribution system and customer support services, to achieve a dominant market position for its products. Past efforts have indicated that customer demand generally can be increased and sustained through application of the Company's marketing strategy, as supported by its distribution system.

Research and Development

The Company conducts continuous research and development activities to improve the strains of primary poultry breeding stock, the genetic qualities of swine, finished product development and developing further- processed seafood products. Additionally, a separate staff of research and development personnel is maintained to develop and provide for product needs. The annual cost of such research and development programs is less than 1% of total annual sales.

Regulation

The Company's facilities for processing poultry and for housing live poultry and swine are subject to a variety of federal, state and local

environmental protection laws and regulations, including provisions relating to the discharge of materials into the environment. The Company's poultry, beef, pork and Mexican food-based processing facilities are also subject to extensive inspection and regulation by the United States Department of Agriculture. The cost of compliance with such laws and regulations has not had a material adverse effect upon the Company's capital expenditures, earnings or competitive position and it is not anticipated to have a material adverse effect in the future.

Fishing activities and seafood processing activities of the Company's seafood operations are closely regulated by the United States Department of Commerce and various other state and governmental agencies. These agencies establish, among other things, fishing seasons and resource depletion restrictions and regulate legal gear types. Violations of the Magnuson Act and state laws can result in substantial penalties, ranging from fines and seizure of catch and vessels. See "Legal Proceedings" under Item 3. In addition, the seafood operations are subject to various federal, state and local laws relating to protection of the environment and the health and safety of employees.

To provide consumer reassurance of product integrity and safety, to create a quality point of difference with the competition, and to assume a position of measured industry leadership in production standards, Louis Kemp voluntarily complies with certain United States Department of Commerce regulations which enable it to show the United States Department of Commerce seal of approval (PUFI) on its primary products. Both Louis Kemp Seafood manufacturing facilities are United States Department of Commerce inspected and are participants in the government's pilot Hazard Analysis Critical Control Point (HACCP) program.

Employees and Labor Relations

As of October 1, 1994, the Company employed approximately 55,800 persons. The Company believes that its relations with its workforce are good.

ITEM 2. PROPERTIES

The Company currently has production and distribution operations in the following states: Alabama, Alaska, Arkansas, Georgia, Illinois, Iowa, Maryland, Michigan, Minnesota, Mississippi, Missouri, North Carolina, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Washington. Additionally, the Company has facilities or participates in joint venture operations in Argentina, Brazil, China, Denmark, Hong Kong, India, Indonesia, Japan, Mexico, Philippines, South Africa, Spain, United Kingdom and Venezuela. This increase in international operations and joint ventures is principally due to the Company's increased ownership in Trasgo and CVI.

The principal poultry operations of the Company consists of 48 processing plants. These plants are devoted to various phases of slaughtering, dressing, cutting, packaging, deboning or further-processing. The total slaughter capacity is approximately 30 million head per week.

To support the above facilities the Company operates 26 feed mills, 56 broiler hatcheries, 466 breeder farms, 38 pullet farms and 372 broiler farms with sufficient capacity to meet the needs of the poultry operations. In addition, the Company has poultry cold storage facilities owned or leased with a capacity of approximately 106.7 million pounds.

The Company's beef and pork operations consist of eight plants with a capacity to process 15.3 million pounds per week, supported by eight freezer storage facilities. The Company's swine slaughtering and processing plant processes approximately 33,000 hogs per week.

The Company's Mexican food-based product and prepared food operations consist of five processing plants supported by four additional freezer storage facilities.

The Company's swine operations consists of 101 swine farrowing and nursery units and 508 swine finishing units. These swine growout operations are supported by two dedicated feed mills supplemented by the production from the poultry operations' feed mills. In addition, the Company operates a grain drying and two storage facilities in support of its swine feed mill operations.

The Company's seafood operations consist of 34 catching and at-sea processing vessels along with two freighters. The at-sea processing is supported by six shore-based processing plants, three of which are dedicated to surimi processing.

The Company's animal feed and pet food processing operations consist of seven rendering plants with the capacity to produce 15.8 million pounds of animal protein products per week and ground pet food operations capable of producing 7.9 million pounds of product per week.

The Company owns its major operating facilities and sea vessels with the following exceptions: three processing plants are leased under agreements expiring in 1995, 1996, and 1999, four broiler hatcheries are leased under month-to-month leases and one is leased under an agreement expiring in 1995, 254 breeder farms are leased under agreements expiring at various dates through 1999, 38 pullet farms and 21 broiler farms are leased under year-to-year renewable lease agreements, two freezer storage facilities are leased under month-to-month leases and two are leased under agreements expiring in 1996 and 1999, 52 swine farrowing and nursery units and 312 swine finishing units are leased under one to ten year renewable lease agreements.

Management believes that the Company's present facilities are generally adequate and suitable for its current purposes. In general, the Company's facilities are fully utilized. However, seasonal fluctuations in inventories and production may occur as a reaction to market demands for certain products. The Company regularly engages in construction and other capital improvement projects intended to expand capacity and improve the efficiency of its processing and support facilities. In January 1994, the Company announced plans to build four new poultry-processing complexes to be completed over the next three years. This increase will enable the Company to meet forthcoming demand over the next three years. The first of the four complexes is being built and should be ready to start production in mid-1995. The Company is also constructing another plant for production of Mexican food-based products. At fiscal year-end, the Company had construction projects in progress that will require approximately \$151.5 million to complete.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various lawsuits and claims made by third parties on an ongoing basis as a result of its day-to-day operations, including the following two matters relating to Arctic. In April 1994, after investigations beginning as early as 1990, a Federal Grand Jury in Seattle, Washington indicted former officers, directors and employees of Arctic as well as Arctic on criminal charges stemming from the sinking of the fishing vessel Aleutian Enterprise in 1990 and other matters relating to the overall operation of Arctic. In September 1994, the Federal Grand Jury issued superseding indictments against the former officers, directors and employees as well as Arctic on substantially identical criminal charges with two prior indictees being dismissed. The factual allegations giving rise to the fifty-three (53) count multiple indictments now pending in the United States District Court, Western District of Washington at Seattle, occurred prior to the Company's acquisition of Arctic on October 5, 1992. Conviction of the individuals, as well as Arctic, carries penalties and fines ranging from a maximum fine or penalty per count of \$500,000 and 10 years in prison. The Company anticipates that a trial of a portion of the defendants on the indictments will begin in June of 1995. Also, on September 8, 1993, the State of Alaska, after conducting investigations, filed a Complaint for Forfeiture and Damages alleging that certain Arctic vessels participated in the use of certain fishing gear during 1990, 1991, and 1992. While management is not able at the present time to determine the outcome of these matters, based upon information currently available, management presently does not believe that any of these lawsuits or claims by third parties will have a material adverse effect on the Company's financial position.

On or about November 8, 1993, Arctic Fisheries, Inc. ("AFI"), an indirect wholly owned subsidiary of the Company, agreed to settle a civil suit filed by the Environmental Protection Agency alleging various violations of the Clean Water Act from 1987 to 1990, prior to the Company's acquisition of Arctic. Under the terms of the settlement, which will be final after the applicable public comment period has expired, AFI agreed to pay \$725,000, conduct additional sampling and monitoring not otherwise required by AFI's discharge permit, and stop discharging fish processing wastes in certain areas.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

Executive Officers of the Company

Officers of the Company serve one year terms from the date of their election, or until their successors are appointed and qualified. The name, title, age and year of initial election of the Company's executive officers are listed below:

Name -----	Title -----	Age ---	Year Elected -----
Don Tyson	Chairman of the Board of Directors	64	1963
Leland Tollett	Vice Chairman of the Board of Directors, Chief Executive Officer and President	57	1966
Wayne Britt	Senior Vice President, International Sales and Marketing	45	1977
Roy Brown	Senior Vice President, Seafood Division	42	1993
Ellis Brunton	Group Vice President, Research and Quality Assurance	52	1993
William Jaycox	Group Vice President, Human Resources	48	1990
Gary Johnson	Corporate Controller	50	1982
Gerald Johnston	Executive Vice President, Finance	52	1972
Dennis Leatherby	Treasurer	34	1994
Greg Lee	Senior Vice President, Sales and Marketing	47	1993
Bill Moeller	Group Vice President, Swine Division	44	1981
David Purtle	Senior Vice President, Operations	50	1985
Mary Rush	Secretary and Director of Investor Relations	60	1982
John H. Tyson	President, Beef and Pork Division	41	1984
Donald E. Wray	Chief Operating Officer	57	1979

John H. Tyson is the son of Don Tyson. No other family relationships exist among the above officers. Messrs. Don Tyson, Johnson, Johnston, and Moeller have served the Company in essentially the indicated capacities for more than the past five years. Mr. Tollett was appointed Chief Executive Officer and President in 1991 and Vice Chairman of the Board of Directors in 1994 after serving as President and Chief Operating Officer since 1983. Mr. Britt was appointed Senior Vice President, International Sales and Marketing in 1994 after serving as Vice President, Wholesale Club Division since 1992 and Vice President, Secretary/Treasurer since 1982. Mr. Brown was appointed Senior Vice President, Seafood Division in 1993 after serving as Vice President, Sales and Marketing, International Division since 1992 and Director of Retail Sales since 1983. Mr. Brunton was appointed Group Vice President, Research and Quality Assurance in 1993 after serving as Director of Technical Services since 1989. Mr. Brunton joined the Company in July 1989 upon the acquisition of Holly for which he served as Vice President, Technical Services since 1986. Mr. Jaycox was appointed Group Vice President, Human Resources in 1990 after joining the Company in July 1989 upon the acquisition of Holly for which he served as Vice President of Personnel for Harker's, Inc. since 1986. Mr. Leatherby was appointed Treasurer in 1994 after serving as Assistant Treasurer since 1990. Mr. Lee was appointed Senior Vice President, Sales and Marketing in 1993 after serving as Division Vice President of Foodservice Sales and Marketing since 1988. Mr. Purtle was appointed Senior Vice President, Operations in 1991 after serving as Group Vice President, Operations since 1985. Ms. Rush was appointed Secretary and Director of Investor Relations in 1992 after serving as Assistant Secretary/Treasurer since 1982. Mr. John H. Tyson was appointed President, Beef and Pork Division in 1993 after serving as Vice President since 1987. Mr. Wray was appointed Chief Operating Officer in 1991 after serving as Senior Vice President, Sales and Marketing Division since 1985.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER

MATTERS

The Company currently has issued and outstanding two classes of capital stock, Class A Common Stock (the "Class A Stock") and Class B Common Stock (the "Class B Stock"). The holders of Class A Stock are entitled to one vote per share and the holders of Class B Stock are entitled to ten votes per share on matters submitted to shareholders for approval. No cash dividend may be paid to the holders of Class B Stock unless a cash dividend is simultaneously paid to the holders of Class A Stock, and the per share amount of the dividend paid to the holders of Class B Stock cannot exceed 90% of the cash dividend simultaneously paid to the holders of Class A Stock. Transfer of the Class B Stock is restricted except in limited circumstances. Holders of Class B Stock may convert such stock into Class A Stock on a share for share basis.

On October 1, 1994, there were approximately 36,030 holders of record of the Company's Class A Stock and 25 holders of record of the Company's Class B Stock, excluding holders in the security positions listings held by nominees. The Company's Class A Stock is traded on the Nasdaq stock market's National Market under the symbol "TYSNA." No public trading market currently exists for the Class B Stock. Information regarding the high and low sales prices of the Company's Class A Stock is set forth in the table on page 42 of the Annual Report under the caption "Price of Company's Common Stock," which information is incorporated herein by reference.

The Company has paid uninterrupted quarterly dividends on its common stock each year since 1977. On January 14, 1994, the Board of Directors increased the annual dividend rate on Class A Stock to \$.08 per share and fixed an annual dividend rate of \$.0666 per share for the Class B Stock, effective with the quarterly dividend paid on March 15, 1994. Prior to that, quarterly dividends were paid at an annual rate of \$.04 for Class A Stock and \$.0333 for Class B Stock.

During 1994, the Company initiated an open market stock repurchase program which authorized the purchase of up to 15 million shares of the Company's Class A common stock. The Company intends to utilize shares repurchased to fund existing employee benefit plans and increase treasury stock. No timetable has been set for completion of the repurchase program. As of October 1, 1994, the Company had purchased approximately 2.5 million shares under the repurchase program.

ITEM 6. SELECTED FINANCIAL DATA

See the information reflected under the caption "Eleven-Year Financial Summary" on pages 20-21 of the Annual Report, which information is incorporated herein by reference.

ITEM 7. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

See the information reflected under the caption "Management Discussion and Analysis" on pages 22-26 of the Annual Report, which information is incorporated herein by reference.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the information on pages 27-44 of the Annual Report under the caption "Consolidated Statements of Operations," "Consolidated Balance Sheets," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements," and "Report of Independent Auditors," which information is incorporated herein by reference. Other financial information is filed under Item 14 of Part IV of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND

FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth under the captions "Election of Directors" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to general instruction G(3) of the instructions to Form 10-K, certain information concerning the Company's executive officers is included under the caption "Executive Officers of the Company" in Part I of this Report. See the information set forth under the caption "Executive Compensation" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

See the information included under the caption "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the information included under the caption "Certain Transactions" in the Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this report:

1. The following consolidated financial statements of the registrant included on pages 27-42 in the Company's Annual Report for the fiscal year ended October 1, 1994 and the Report of Independent Auditors, on page 44 of such Annual Report are incorporated herein by reference. Page references are to page numbers in the Annual Report.

	Pages
Consolidated Statements of Operations for the three years ended October 1, 1994	27
Consolidated Balance Sheets at October 1, 1994 And October 2, 1993	28-29
Consolidated Statements of Shareholders' Equity for the three years ended October 1, 1994	30-31
Consolidated Statements of Cash Flows for the three years ended October 1, 1994	32
Notes to Consolidated Financial Statements	33-42
Report of Independent Auditors	44
2. The following additional information for the years 1994, 1993 and 1992 is submitted herewith. Page references are to the consecutively numbered pages of this report on Form 10-K:	
Report of Independent Auditors	Pages 30
Schedule V - Property, Plant and Equipment for the three years ended October 1, 1994	31
Schedule VI - Accumulated Depreciation of Property, Plant and Equipment for the three years ended October 1, 1994	32
Schedule VIII - Valuation and Qualifying Accounts and Reserves for the three years ended October 1, 1994	33
Schedule IX - Short-Term Borrowings for the three years ended October 1, 1994	34
Schedule X - Supplementary Income Statement Information for the three years ended October 1, 1994	35

All other schedules are omitted because they are neither applicable nor required. Separate parent company financial statements have been omitted since the registrant is primarily an operating company.

3. The exhibits filed with this report are listed in the Exhibit Index at the end of this Item 14.

4. The Company did not file any reports on Form 8-K during the quarter ended October 1, 1994.

EXHIBIT INDEX

The following exhibits are filed with this report or are incorporated by reference to previously filed material. Page references are to the consecutively numbered pages of each attached Exhibit.

Exhibit No. -----		Page -----
3(a)	Certificate of Incorporation of the Company as amended (previously filed as Exhibit 3(a) to the Company's Registration Statement on Form S-4 filed with the Commission on July 8, 1992, Commission file No. 33-49368, and incorporated herein by reference).	
3(b)	Amended and Restated Bylaws of the Company	36-47
4(a)	Amended and Restated Note Purchase Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement, together with the following related documents: (i) Form of Series A Note (ii) Form of Series D Note (previously filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by (reference).	
4(b)	Amended and Restated Note Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement, together with the following related documents: (i) Form of Series E Note (ii) Form of Series F Note (iii) Form of Series G Note (previously filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).	
10(a)	Credit Agreement, dated June 30, 1993, by and among the Company, as Borrower, Banque Nationale De Paris, The Chase Manhattan Bank, N.A., Chemical Bank, Continental Bank, N.A., Credit Lyonnais, NationsBank of Texas, N.A., Cooperative Centrale Raiffeisen-Boerenleenbank, B.A., (Rabobank Nederland), Societe Generale and	

The Toronto-Dominion bank as Co-Agents and Bank of America National Trust and Savings Association, as Agent (previously filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No.0-3400, and incorporated herein by reference).

- 10(b) Amendment No. 1 to Credit Agreement dated June 8, 1994, by and among the Company, as Borrower, The Chase Manhattan Bank, N.A., Chemical Bank, Continental Bank N.A., Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Morgan Guaranty Trust Company of New York, National Westminster Bank Plc, NationsBank of Texas, N.A., and Societe Generale as Co-Agents and Bank of America National Trust and Savings Association, as Agent (previously filed as Exhibit 10(c) to the Company's Amendment No. 19 to the Tender Offer Statement on Schedule 14D-1 for all outstanding shares of common stock for WLR Foods, Inc. and Amendment No. 20 to the Schedule 13D by WLR Acquisition Corp. and Tyson Foods, Inc. previously filed on June 9, 1994, Commission File No. 0-3400, and incorporated herein by reference).
- 10(c) Third Amended and Restated Credit Agreement, including all exhibits thereto, dated as of June 8, 1994, by and among the Company, as Borrower, The Chase Manhattan Bank, N.A., Chemical Bank, Continental Bank N.A., Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Morgan Guaranty Trust Company of New York, National Westminster Bank Plc, NationsBank of Texas, N.A., and Societe Generale as Co-Agents and Bank of America National Trust and Savings Association, as Agent (previously filed as Exhibit 10(b) to the Company's Amendment No. 19 to the Tender Offer Statement on Schedule 14D-1 for all outstanding shares of common stock for WLR Foods, Inc. and Amendment No. 20 to the Schedule 13D by WLR Acquisition Corp. and Tyson Foods, Inc. previously filed on June 9, 1994, Commission File No. 0-3400, and incorporated herein by reference).
- 10(d) Issuing and Paying Agency Agreement dated July 1, 1993, between the Company and Morgan Guaranty Trust Company of New York, (previously filed as Exhibit 10(d) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(e) Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and Merrill

- Lynch Money Markets Inc. (previously filed as Exhibit 10(e) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(f) Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and Toronto Dominion Securities (U.S.A.) Inc. (previously filed as Exhibit 10(f) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(g) Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and the First Boston Corporation (previously filed as Exhibit 10(g) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(h) Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and J.P. Morgan Securities, Inc. (previously filed as Exhibit 10(h) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(i) Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and Bank of America National Trust and Savings Association (previously filed as Exhibit 10(i) to the Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10(j) Commercial Paper Dealer Agreement dated September 1, 1994, between the Company and Chase Securities, Inc. 48-51
- 10(k) Tyson Foods, Inc. Senior Executive Performance Bonus Plan adopted November 18, 1994. 52-53
- 10(l) Tyson Foods, Inc. Restricted Stock Bonus Plan, effective August 21, 1989, as amended and restated on April 15, 1994,; and Amendment No. 2 to Restricted Stock Bonus Plan effective November 18, 1994. 54-60
- 10(m) Profit Sharing Plan and Trust of Tyson Foods, Inc., as amended and restated effective April 1, 1987, (previously filed as Exhibit 10(a) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).

- 10(n) Tyson Foods, Inc. Employee Stock Purchase Plan, effective April 1, 1979, as amended and restated effective November 1, 1986, (previously filed as Exhibit 10(b) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).
- 10(o) Tyson Foods, Inc. Incentive Stock Option Plan of 1982, as amended and restated on September 5, 1987, (previously filed as Exhibit 10(c) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).
- 10(p) Tyson Foods, Inc. Amended and Restated Nonstatutory Stock Option Plan, as amended and restated on November 18, 1994. 61-69
- 10(q) Tyson Foods, Inc. Employee Stock Ownership Plan as amended and restated on September 5, 1987, (previously filed as Exhibit 10(e) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).
- 10(r) Amended and Restated Employment Agreement dated as of July 1, 1994, between the Company and Don Tyson, Chairman of the Board of Directors of the Company. 70-72
- 10(s) Retirement Savings Plan of Tyson Foods, Inc., qualified under Section 401(k) of the Internal Revenue Code, effective October 1, 1987, and Trust Agreement related thereto (previously filed as Exhibit 10(g) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).
- 10(t) Tyson Employee Retirement Income Savings Plan, as amended and restated effective April 1, 1987, (previously filed as Exhibit 10(h) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).
- 10(u) Indemnity Agreements dated February 27, 1987, between Tyson Foods, Inc. and certain of its officers and directors (previously filed as Exhibit 10(i) to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1987, Commission File No. 0-3400, and incorporated herein by reference).

10(v)	Plan of Reorganization and Merger, dated as of June 15, 1992, among Arctic Alaska Fisheries Corporation, the Company and Tyson Acquisition, Inc. (previously filed as Appendix I to the Company's Amendment No. 1 to Registration Statement on Form S-4 filed with the Commission on July 27, 1992, Commission File No. 33-49368, and incorporated herein by reference).	
11	Statement Regarding Computation of Earnings Per Share.	73
13	Pages 19-44 of the Annual Report to Shareholders for the fiscal year ended October 1, 1994.	74-99
22	Subsidiaries of the Company.	100
23	Consent of Independent Auditors.	101
27	Financial Data Schedule.	102

SIGNATURES

Pursuant to requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TYSON FOODS, INC.

By /s/ Gerald Johnston

November 18, 1994

Gerald Johnston
Executive Vice President,
Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<i>/s/Neely Cassady</i> ----- <i>Neely Cassady</i>	<i>Private Investor and</i> <i>Arkansas State Senator</i>	<i>November 18, 1994</i>
<i>/s/ Lloyd V. Hackley</i> ----- <i>Lloyd V. Hackley</i>	<i>Chancellor, Fayetteville</i> <i>State University</i>	<i>November 18, 1994</i>
<i>/s/ Gary Johnson</i> ----- <i>Gary Johnson</i>	<i>Corporate Controller</i> <i>(Principal Accounting</i> <i>Officer)</i>	<i>November 18, 1994</i>
<i>/s/Gerald Johnston</i> ----- <i>Gerald Johnston</i>	<i>Executive Vice President,</i> <i>Finance (Principal</i> <i>Financial Officer)</i>	<i>November 18, 1994</i>
<i>/s/ Shelby D. Massey</i> ----- <i>Shelby D. Massey</i>	<i>Private Investor</i>	<i>November 18, 1994</i>
<i>/s/ Joe F. Starr</i> ----- <i>Joe F. Starr</i>	<i>Vice President</i>	<i>November 18, 1994</i>
<i>/s/ Leland E. Tollett</i> ----- <i>Leland E. Tollett</i>	<i>Vice Chairman of the Board,</i> <i>Chief Executive Officer and</i> <i>President</i>	<i>November 18, 1994</i>
<i>/s/ Barbara Tyson</i> ----- <i>Barbara Tyson</i>	<i>Vice President</i>	<i>November 18, 1994</i>
<i>/s/ Don Tyson</i> ----- <i>Don Tyson</i>	<i>Chairman of the Board</i>	<i>November 18, 1994</i>
<i>/s/ John H. Tyson</i> ----- <i>John H. Tyson</i>	<i>President,</i> <i>Beef and Pork Division</i>	<i>November 18, 1994</i>
<i>/s/ Fred S. Vorsanger</i> ----- <i>Fred S. Vorsanger</i>	<i>Vice President (Emeritus)</i> <i>University of Arkansas</i> <i>and Private Investor</i>	<i>November 18, 1994</i>
<i>/s/ Donald E. Wray</i> ----- <i>Donald E. Wray</i>	<i>Chief Operating Officer</i>	<i>November 18, 1994</i>

FINANCIAL STATEMENT SCHEDULES

REPORT OF INDEPENDENT AUDITORS

We have audited the consolidated financial statements of Tyson Foods, Inc. as of October 1, 1994 and October 2, 1993, and for each of the three years in the period ended October 1, 1994, and have issued our report thereon dated November 14, 1994. Our audits also included the financial statement schedules listed in Item 14(a) in this annual report (Form 10-K). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP

November 14, 1994

Little Rock, Arkansas

TYSON FOODS, INC.
SCHEDULE V
PROPERTY, PLANT AND EQUIPMENT
THREE YEARS ENDED OCTOBER 1, 1994
(Dollars in Thousands)

Classification	Balance at Beginning of Period	(2) Additions at Cost	Retirements	Changes Add (Deduct)	Balance at End of Period

1994					

Land	\$ 40,144	\$ 16,279	\$ 295	\$ 0	\$ 56,128
Buildings & Leasehold Improvements	562,526	116,133	2,539	0	676,120
Machinery & Equipment	1,277,956	210,292	36,092	0	1,452,156
Vessels	119,654	4,726	12,636	0	111,744
Land Improvements and Other	62,669	8,033	157	0	70,545
Buildings & Equipment Under Construction	123,195	19,955	0	0	143,150
	-----	-----	-----	-----	-----
Total	\$2,186,144	\$ 375,418	\$ 51,719	\$ 0	\$2,509,843
1993	=====	=====	=====	=====	=====

Land	\$ 38,180	\$ 2,006	\$ 42	\$ 0	\$ 40,144
Buildings & Leasehold Improvements	525,704	39,111	2,289	0	562,526
Machinery & Equipment	1,080,644	214,056	16,744	0	1,277,956
Vessels	0	119,654	0	0	119,654
Land Improvements and Other	59,949	3,152	432	0	62,669
Buildings & Equipment Under Construction	53,980	69,215	0	0	123,195
	-----	-----	-----	-----	-----
Total	\$1,758,457	\$ 447,194	\$ 19,507	\$ 0	\$2,186,144
1992	=====	=====	=====	=====	=====

Land	\$ 37,519	\$ 711	\$ 50	\$ 0	\$ 38,180
Buildings & Leasehold Improvements	510,382	19,463	203	(3,938) (1)	525,704
Machinery & Equipment	998,310	104,140	25,744	3,938 (1)	1,080,644
Land Improvements and Other	54,594	5,869	513	0	59,949
Buildings & Equipment Under Construction	76,173	(22,193)	0	0	53,980
	-----	-----	-----	-----	-----
Total	\$1,676,978	\$ 107,990	\$ 26,510	\$ 0	\$1,758,457
	=====	=====	=====	=====	=====

(1) Reclassification.

(2) Includes \$143.3 million during 1994 for the acquisition of Gorges Foodservice, Inc., Culinary Foods, Inc., Cobb-Vantress International, and Trasgo S.A. de C.V. Includes \$221.9 million during 1993 for the acquisition of Arctic Alaska Fisheries Corporation and Brandywine Foods, Inc.

TYSON FOODS, INC.
SCHEDULE VI
ACCUMULATED DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT
Three Years Ended October 1, 1994
(Dollars in Thousands)

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Retirements	Other Changes Add (Deduct)	Balance at End of Period
1994					

Buildings & Leasehold Improvements	\$ 140,533	\$ 19,955	\$ 1,663	\$4,230 (2)	\$ 163,055
Machinery & Equipment	583,682	130,924	17,681	5,635 (2)	702,560
Vessels	4,866	4,925	57	0	9,734
Land Improvements & Other	21,765	2,807	93	18 (2)	24,497
	-----	-----	-----	-----	-----
Total	\$ 750,846	\$ 158,611	\$ 19,494	\$9,883	\$ 899,846
	=====	=====	=====	=====	=====
1993					

Buildings & Leasehold Improvements	\$ 122,350	\$ 18,012	\$ 29	\$200 (1)	\$ 140,533
Machinery & Equipment	474,433	120,412	10,963	(200) (1)	583,682
Vessels	0	4,866	0	0	4,866
Land Improvements & and Other	19,487	2,466	188	0	21,765
	-----	-----	-----	-----	-----
Total	\$ 616,270	\$ 145,756	\$ 11,180	\$ 0	\$ 750,846
	=====	=====	=====	=====	=====
1992					

Buildings & Leasehold Improvements	\$ 106,169	\$ 16,598	\$ 129	\$(288) (1)	\$ 122,350
Machinery & Equipment	391,460	100,410	17,725	288 (1)	474,433
Land Improvements and Other	17,397	2,355	265	0	19,487
	-----	-----	-----	-----	-----
Total	\$ 515,026	\$ 119,363	\$ 18,119	\$ 0	\$ 616,270
	=====	=====	=====	=====	=====

- (1) Reclassification.
(2) Other Adjustments.

TYSON FOODS, INC.
 SCHEDULE VIII
 VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
 Three Years Ended October 1, 1994
 (Dollars in Thousands)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Additions (Deductions)	Balance at End of Period
Allowance for Doubtful Accounts					
1994	2,597	1,120	0	(453)	3,264
1993	2,512	952	0	(867)	2,597
1992	3,224	1,669	0	(2,381)	2,512

(1) Uncollectible accounts written-off.

TYSON FOODS, INC.
 SCHEDULE IX
 SHORT-TERM BORROWINGS
 Three Years Ended October 1, 1994
 (Dollars in Thousands)

Category of Aggregate Short-term Borrowings	Balance End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period	Weighted Average Interest During the Period

1994					
Banks	\$ 49,360	5.03%	\$ 212,000	\$ 66,970	3.66%
Other	-	-	-	-	-
All Categories	\$ 49,360	5.03%	\$ 212,000	\$ 66,970	3.66%
1993					
Banks	\$ 29,800	3.11%	\$ 140,000	\$ 74,637	3.54%
Other	-	-	-	-	-
All Categories	\$ 29,800	3.11%	\$ 140,000	\$ 74,637	3.54%
1992					
Banks	-	-	\$ 92,800	\$ 27,270	4.30%
Other	-	-	-	-	-
All Categories	-	-	\$ 92,800	\$ 27,270	4.30%

(1) The average borrowings were determined based on the daily amounts outstanding.

(2) The weighted average interest rate during the period was computed by dividing actual interest expense by weighted average short-term borrowings.

TYSON FOODS, INC.
 SCHEDULE X
 SUPPLEMENTARY INCOME STATEMENT INFORMATION
 Three Years Ended October 1, 1994
 (Dollars in Thousands)

Item	Charged to Costs and Expenses		
	1994	1993	1992
Advertising Costs and Sales Promotion Expenses	\$ 183,564	\$ 193,491	\$ 155,757
Repairs and Maintenance	\$ 125,352	\$ 115,697	\$ 90,984

Amortization of intangible assets and amounts expended for taxes other than payroll and income taxes, and royalties were less than 1% of total sales and revenues and are not presented.

AMENDED AND RESTATED BY-LAWS

OF

TYSON FOODS, INC.

**ARTICLE I
OFFICES**

Section 1. Registered Office. The registered office of Tyson Foods, Inc. (the "Corporation") shall be at the Corporation Trust Company, 100 West Tenth Street, in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by either the Senior Chairman of the Board of Directors, the Chairman, the Chief Executive Officer, or the President, and shall be called by any such officer at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning a majority of the stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to

vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; provided, however, that if the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 5. Voting. When a quorum is present at any meeting, the affirmative vote of a majority of the votes cast shall decide any question brought before such meeting, unless the question is one upon which by express provision of Delaware law or of the Certificate of Incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Each holder of the Corporation's Class A Common Stock ("Class A Stock") represented at a meeting of stockholders shall be entitled to cast one vote for each share of Class A Stock entitled to vote thereat held by such stockholder. Each holder of the Corporation's Class B Common Stock ("Class B Stock") represented at a meeting of stockholders shall be entitled to cast ten votes for each share of Class B Stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

At any meeting of the Stockholders, the Senior Chairman of the Board of Directors shall preside over a proxy committee which shall be composed of one or more persons as deemed necessary and appropriate by the Senior Chairman, in the exercise of his or her discretion, to facilitate the voting of shares underlying proxies solicited from the Stockholders. At such meetings of the Stockholders, any proxies received in the name of or on behalf of the Stockholders shall be voted by the Senior Chairman of the Board of Directors presiding over such proxy committee, and in the event of the absence of such Senior Chairman, the Board of Directors, in its discretion, may designate one or more persons to serve on such proxy committee who shall vote any proxies received in the name of or on behalf of the Stockholders.

Section 6. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number

of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 9. Stockholder Nominations for Director. Any stockholder wishing to nominate a person to serve as a candidate for election to the Board of Directors must submit the name of such candidate in writing to the current Board of Directors on or before September 30 of any year.

Section 10. Business to be Conducted. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must (a) be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) be otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) satisfy the notice requirements set forth below in this Section 10 and otherwise be properly brought before the meeting by a stockholder.

For business to be brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive office of the Corporation not less than 75 days nor more than 100 days prior to the meeting; provided, however, that in the event that less than 85 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 10. The chairman of an annual meeting shall, if the facts warrant, determine and declare at the meeting that a matter of business was not properly brought before the meeting in accordance with the provisions of Section 10 of this Article II or otherwise, and if he should so determine, he shall so declare at the meeting that any such business not properly brought before this meeting shall not be transacted.

ARTICLE III DIRECTORS

Section 1. Number and Election of Directors. The number of persons which shall constitute the Board of Directors of the Corporation shall be such number as initially fixed by the Incorporator and thereafter from time to time by resolution of the Board of Directors. Except as provided in Section 2 of this Article, directors shall be elected by a majority of the votes cast at Annual Meetings of Stockholders, and each director so elected shall hold office until the next Annual Meeting and until his successor is duly elected and qualified, or until his earlier resignation or removal. Any director may resign at any time upon written notice to the Corporation. Directors need not be stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, and each of the directors so chosen shall hold office until the next Annual Meeting of Stockholders and until his successor is elected and qualified or until his earlier resignation or removal.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 4. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the Chief Executive Officer, the President, or any two directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone or telegram on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. The notice need not specify the business to be transacted. In the event of an emergency which in the judgment of the Chairman, Chief Executive Officer or President requires immediate action, a special meeting may be convened without notice, consisting of those directors who are immediately available in person or by telephone and can be joined in the meeting in person or by conference telephone. The actions taken at such a meeting shall be valid if at least a quorum of the directors participates either personally or by conference telephone.

Section 5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors one-third of the full number of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Actions of Board Without a Meeting. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 7. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 7 shall constitute presence in person at such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 9. Executive Committee. The Board of Directors shall establish an Executive Committee of its members to consist of not less than three directors, which group shall include the Senior Chairman of the Board of Directors, and may authorize the delegation to any such committee of any of the authority of the Board of Directors in the management of the ordinary business affairs of the Corporation. The Executive Committee shall not, however, be authorized to amend the Certificate of Incorporation or the By-Laws of the Corporation; to adopt an agreement of merger or consolidation pursuant to Sections 251 and 252 of the Delaware Corporation Law; to recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, or to recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution. The Executive Committee may, to the extent authorized by the Board of Directors in a resolution providing for the issuance of shares of stock, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation, or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series. The Executive Committee may, if so authorized by a resolution of the Board of Directors, declare dividends, authorize the issuance of stock, and adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware Corporation Law with respect to the Corporation's 90%-owned subsidiaries. The Executive

Committee shall serve at the pleasure of the Board of Directors and shall act only in intervals between meetings of the Board of Directors, and shall in all respects be subject to the control and direction of the Board of Directors. The Executive Committee may act by a majority of its members at a meeting or informally without a meeting, provided that all members thereof sign a writing reflecting such informal action. Any act or authorization of any act by the Executive Committee, within the authority delegated above, shall be as effective for all purposes as the act or authorization of the Board of Directors; provided that the designation of such an Executive Committee and the delegation of authority thereto shall not operate to relieve the Board of Directors of any responsibility imposed upon it by law.

Section 10. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 11. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may also choose a Senior Chairman and Chairman of the Board of Directors (each of whom must be a director), one or more Vice Chairmen of the Board of Directors, a Chief Executive Officer, a Chief Operating Officer, one or more Vice Presidents, Controller, Assistant Controllers, Assistant Secretaries, Assistant Treasurers, and any other officers deemed to be necessary. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the

Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the executive officers of the Corporation, who shall be comprised of the President, the Secretary, the Treasurer and, if there be such, the Chief Executive Officer, the Chief Operating Officer, and any Executive or Senior Vice Presidents. Such executive officers shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The President of the Corporation shall have the authority to appoint such other officers as he may in his discretion deem necessary to carry out the business of the Corporation, including, but not limited to, Group Vice Presidents, Vice Presidents, Controller, Assistant Controllers, Assistant Secretaries, Assistant Treasurers and any other officers. All officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. Any officer appointed by the President may be removed at any time by the President. Any vacancy occurring in any executive office of the Corporation shall be filled by the Board of Directors. Any vacancy occurring in any other office of the Corporation shall be filled by the President.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, the President and Chief Operating Officer, or any Vice President, and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any company in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chief Executive Officer. The Chief Executive Officer of the Corporation shall have, subject to the supervision and direction of the Board of Directors or of the Executive Committee, if any, general supervision of the business, property, and affairs of the Corporation and the powers vested in him by the Board of Directors, by law or by these By-Laws or which usually attach or pertain to such office, including, but not limited to, the authority to sign documents on behalf of the Corporation the effect of which shall be legally binding upon the Corporation. During the absence or disability of the Chairman of the Board of Directors, the Chief Executive Officer shall preside at meetings of the stockholders and of the Board of Directors. During the absence or disability of the President, the Chief Executive Officer shall exercise all the powers and discharge all the duties of the President.

Section 5. President. The President shall, subject to the control of the Board of Directors and the Chief Executive Officer, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the

Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the Chief Executive Officer. In the absence or disability of the Chief Executive Officer, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws, the Board of Directors or by the Chief Executive Officer.

Section 6. Chief Operating Officer. The Chief Operating Officer shall answer directly to the President and shall perform any and all acts under the direction and supervision of the President as the President may require in connection with the execution of the general business of the Corporation.

Section 7. Vice Presidents. At the request of the President and Chief Operating Officer or in his absence or in the event of his inability or refusal to act (and if there be no Chief Executive Officer), the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President and Chief Operating Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the President and Chief Operating Officer.

Section 8. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer or the President and Chief Operating Officer, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation, and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 9. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his

death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 10. Assistant Secretaries. Except as may be otherwise provided in these By-Laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President and Chief Operating Officer, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 11. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President and Chief Operating Officer, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 12. Other Officers. Such other officers as the Board of Directors or President may choose shall perform such duties and have such powers as from time to time may be assigned to them. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V STOCK

Section 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, by the Chief Executive Officer, by the President and Chief Operating Officer, or by a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 2. Signatures. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be

lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued.

Section 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VI NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex or cable.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

**ARTICLE VII
GENERAL PROVISIONS**

Section 1. Dividends. Dividends upon the stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the Corporation's stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall end on the Saturday nearest the 30th day of September of each year.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**ARTICLE VIII
INDEMNIFICATION**

Section 1. Indemnification Rights. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceedings, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to any procedure specified in the General Corporation Law of the State of Delaware, as amended from time to time, against all expenses, liabilities, and losses (including attorney's fees, judgments, fines, and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right that may be enforced in any lawful manner by such person. Such right of indemnification shall not be exclusive of any other right which such directors or officers may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this paragraph.

Section 2. Insurance. The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

Section 3. Advance Payment of Expenses. Expenses incurred by a director or officer of the Corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he is or was a director or officer of the Corporation (or was serving at the Corporation's request as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise) shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized by relevant sections of the General Corporation Law of Delaware.

**ARTICLE IX
AMENDMENTS**

Subject to provisions contained in the Certificate of Incorporation pertaining to amendment of the Corporation's By-Laws, these By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders of the Corporation. The Board of Directors by a unanimous vote of the whole Board at any meeting may amend these By-Laws, including By-Laws adopted by the stockholders.

APPROVED this ___ day of November, 1994.

Chairman of the Board of Directors

Attest:

Secretary

COMMERCIAL PAPER DEALER AGREEMENT

Agreement dated September 1, 1994 between Tyson Foods, Inc. (the "Issuer") and Chase Securities, Inc. ("CSI") in connection with the offer and sale of the Commercial Paper Notes referred to in this Agreement and issued pursuant to an Issuing and Paying Agency Agreement dated July 1, 1993 between the Issuer and Morgan Guaranty Trust Company of New York (the "Issuing and Paying Agency Agreement").

1. Appointment of CSI. The Issuer hereby requests CSI to act, on the terms and conditions specified herein, as the Issuer's dealer for the offer and sale from time to time of short-term promissory notes (the "Commercial Paper Notes") to be issued by the Issuer and offered and sold in the U. S. commercial paper market. The Issuer is not obligated to sell and CSI is not obligated to purchase the Commercial Paper Notes.

2. Sale of Notes. The Commercial Paper Notes will be issued by the Issuer either (a) as book-entry obligations represented by one or more master notes and recorded in the electronic book-entry system maintained by The Depository Trust Company ("DTC") or any other clearing corporation (each a "Clearing Corporation") within the meaning of Section 8-102(3) of the New York Uniform Commercial Code in accordance with the terms of the letter of representations between the Issuer and the Clearing Corporation (the "Clearing Corporation Letter of Representations") a copy of which is attached hereto as Exhibit I, or (b) as physical certificated notes delivered to the purchaser thereof or a person designated by such purchaser. CSI agrees to offer and sell the Commercial Paper Notes, as the Issuer's dealer, to institutional investors and other entities and individuals who normally purchase commercial paper in the U. S. commercial paper market. It is understood and agreed that the Issuer may appoint one or more other persons in addition to CSI to act as dealers for the Commercial Paper Notes. The Commercial Paper Notes will (i) be sold in minimum denominations of \$100,000; (ii) mature not more than 270 days from the date of issuance; (iii) have no extension, renewal or automatic roll-over provisions, and (iv) be rated as "prime" quality commercial paper by at least two nationally recognized statistical rating organizations.

3. Representations and Warranties. The Issuer represents and warrants to CSI that: (i) the Issuer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to conduct its business as now being conducted and to own its properties; (ii) the Issuer has all requisite power and authority to execute and deliver the Commercial Paper Notes and to execute, deliver and perform this Agreement, the Clearing Corporation Letter of Representations and the Issuing and Paying Agency Agreement, a copy of which is attached hereto as Exhibit II; (iii) this Agreement, the Issuing and Paying Agency Agreement and the Clearing Corporation Letter of Representations have been duly authorized, executed and delivered by the Issuer and are valid and binding agreements of the Issuer enforceable in accordance with their respective terms; (iv) the issuance of the Commercial Paper Notes has been duly authorized by the Issuer and, when issued and delivered and authenticated by the Issuing and Paying Agent in accordance with the terms of the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding obligations of the Issuer enforceable in accordance with their terms; (v) the execution and delivery of the

Agreement, the Issuing and Paying Agency Agreement and the Clearing Corporation Letter of Representations will not violate in any material respect any law, rule, regulation, order, judgment or decree applicable to the Issuer or conflict with or result in a breach of or constitute a default under any material agreement or material instrument to which the Issuer is a party or by which it or any of its property is bound or violate its certificate of incorporation or by-laws; (vi) no governmental, administrative or official consent, approval, authorization, notice or filing is required for the execution and delivery of the Commercial Paper Notes or the execution, delivery and performance by the Issuer of this Agreement, the Issuing and Paying Agency Agreement and the Clearing Corporation Letter of Representations; (vii) the Issuer is not an "investment company" or a company "controlled by" an investment company for purposes of the Investment Company Act of 1940, as amended; and (viii) the offer and sale of the Commercial Paper Notes will be exempt from the registration provisions of the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 3(a) (3) thereto.

4. Covenants. The Issuer agrees with CSI that:

- (a) Prior to the issuance of Commercial Paper Notes, the Issuer will furnish to CSI opinions of counsel (i) to the effect that the Commercial Paper Notes are exempt from registration under Section 3(a) (3) of the Securities Act, (ii) as to each of the other matters set forth in Section 3 hereof and (iii) as to such other matters as CSI may reasonably request;
- (b) Each issuance of Commercial Paper Notes by the Issuer shall be deemed a representation and warranty by the Issuer to CSI, as of the date thereof, that the representations and warranties of the Issuer set forth in Sections 3 and 5(c) hereof are true and correct as if made on and as of such date; and
- (c) The Issuer shall furnish to CSI such publicly available information as CSI may reasonably request regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Commercial Paper Notes and (iii) the Issuer's ability to pay the Commercial Paper Notes as they mature.

5. Placement Memorandum.

- (a) CSI will prepare and distribute to investors and potential investors in the Commercial Paper Notes a placement memorandum ("Memorandum") containing financial and other information about the Issuer. Such Memorandum will be updated periodically to reflect material changes in the Issuer's business or financial condition as to which the Issuer shall have advised CSI.
- (b) The Issuer agrees to furnish CSI with sufficient information to enable CSI to prepare the original Memorandum and updates thereof, including (i) not later than the 45 days after the end of each of the first three quarters in the Issuer's fiscal year, the financial statements of the Issuer as of the end of such fiscal quarter, (ii) not later than the 90 days after the end of each fiscal year of the Issuer, the annual audited financial statements of the Issuer and (iii) as soon as practicable, any information concerning the financial condition or results of operations of the Issuer that has been generally communicated to the public or that makes any statement in the Memorandum materially false or misleading or by its omission would cause the Memorandum to be materially false or misleading. The Issuer agrees that all financial statements delivered to CSI hereunder will fairly present the financial condition of the Issuer as of the date set forth therein and the results of operations for the periods set forth

therein, all in conformity with generally accepted accounting principles, it being understood that interim financial statements are subject to fiscal year-end adjustment.

(c) Before distribution of the Memorandum, or any update thereof, CSI will provide a copy thereof to the Issuer, and will not distribute the same without the Issuer's prior written approval. Such approval shall be deemed to be a representation and warranty by the Issuer that the Memorandum, or any update thereof being distributed, does not contain an untrue statement of a material fact.

(d) The issuer will cooperate with CSI in taking all reasonable action necessary to ensure that each offer and each sale of Commercial Paper Notes by the Issuer will comply with any applicable state securities or "Blue Sky" laws.

6. Indemnification.

(a) The Issuer assumes liability for, and will indemnify and hold CSI or its affiliates harmless from and against, liabilities, claims, damages, costs and expenses (including reasonable legal fees and expenses) ("Liabilities") arising out of or in connection with the issue and sale of the Commercial Paper Notes, including without limitation, Liabilities arising out of or related to an actual or alleged untrue statement of a material fact contained in the Memorandum or otherwise made in connection with the issuance and sale of the Commercial Paper Notes or an actual or alleged omission of a material fact necessary in order to make any statement contained in the Memorandum or otherwise made in connection with the issuance and sale of the Commercial Paper Notes, in light of the circumstances in which such statement was made, not misleading; provided, however, that the foregoing indemnity shall not extend to any Liabilities to the extent they arise from (i) an untrue statement by CSI of a material fact made in connection with CSI's sale of the Commercial Paper Notes or an omission by CSI of a material fact made in connection with CSI's sale of the Commercial Paper Notes necessary in order to make any statement, in light of the circumstances in which such statement was made, not misleading or (ii) the negligence or willful misconduct of CSI in the performance or failure to perform its obligations hereunder. This indemnity shall survive termination of this Agreement.

(b) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subparagraph (a) of this Section 6 is for any reason (other than those set forth in the proviso clause of subparagraph (a) of this Section 6) held to be unavailable to CSI, the Issuer and CSI shall contribute to the aggregate Liabilities to which the Issuer and CSI may be subject, in such proportion that CSI shall be responsible for that percentage of such Liabilities equal to the percentage that any fees and commissions payable to CSI bears to the aggregate of the Commercial Paper Notes sold and the balance of such Liabilities shall be the responsibility of the Issuer; provided that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Notices, Addresses. All communications and notices shall be in writing or confirmed in writing and shall be effective when received at the address specified below:

(i) if to CSI, to it at 1 Chase Manhattan Plaza, New York, New York 10081, Attention: Mr. Eugene Pickens, Telephone: 212/552-5349; Telecopy 212/552-4657, or at such other address as may from time to time be designated by notice to the Issuer in writing; and

(ii) if to the Issuer, to it at 2210 W. Oaklawn Drive, Springdale, Arkansas 72765-2020, Attention: Rocky Parsons; Telephone: (501) 290- 4440; Telecopy: (501) 290-4061 or at such other address as may from time to time be designated by notice to CSI in writing.

8. Assignment. CSI may assign its rights and obligations under this Agreement to any wholly-owned subsidiary of Chase Securities, Inc.

9. Termination. This Agreement may be terminated at any time by either party by written notice to the other.

10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf by officers duly authorized thereunto, all as of the day and year first above written.

CHASE SECURITIES, INC.

By: _____

Name:

Title:

TYSON FOODS, INC.

By: _____

Name:

Title:

TYSON FOODS, INC.
SENIOR EXECUTIVE PERFORMANCE BONUS PLAN

1. ESTABLISHMENT AND PURPOSE.

Tyson Foods, Inc. (the "Company") hereby establishes the Tyson Foods, Inc. Senior Executive Performance Bonus Plan (the "Plan"). The purpose of the Plan is to advance the interests of Tyson Foods Inc. and its stockholders by conditioning the payment of cash bonuses to certain of the Company's Senior Executive Officer's upon the attainment of specific performance goals as established herein by the Committee.

2. ADMINISTRATION.

(a) The Plan shall be administered solely by a special subcommittee (the "Committee") of the Compensation Committee of the Board of Directors of the Company, which shall at all times consist of at least two or more "outside directors" as such term is defined by Section 162(m) ("Section 162(m)") of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated pursuant thereto.

(b) The Committee shall have the authority, subject to the limitations set forth in the Plan or otherwise imposed by the Section 162(m), to interpret the Plan and to adopt, amend and rescind such rules and regulations as, in its opinion, are necessary for the administration of the Plan and to make such other determinations deemed necessary or advisable for the administration of the Plan. All decisions, determinations, and interpretations of the Committee relating to the Plan shall be final and conclusive on the Company and all Participants under the Plan.

(c) The Committee may employ such accountants, legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any counsel or consultant and any computation received from any consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan.

3. PARTICIPANTS AND ALLOCATION AMOUNTS.

(a) The persons eligible to participate in the Plan shall be Don Tyson, Chairman of the Company and Leland Tollett, President and Chief Executive Officer of the Company (the "Participants"). Each Participant shall be entitled to receive an annual cash bonus equal to his pro rata percentage of a Bonus Pool (as defined in Section 4 below). For the fiscal year ended September 30, 1995, the pro rata percentage of the Bonus Pool to which each Participant is entitled shall be as follows: Don Tyson - 70%; Leland Tollett - 30%. For subsequent fiscal years, the Committee shall designate, within 90 days following the commencement of such fiscal year, the pro rata percentage of the Bonus Pool to which each Participant is entitled. If no such designation is made by the Committee within the prescribed time period, then the pro rata percentage of the Bonus Pool to which each Participant is entitled shall be the same as the prior fiscal year.

(b) Notwithstanding the provisions of Section 3(a) or 4 hereof, the Committee shall retain the right, in its sole discretion, to reduce or eliminate, prior to the Payment Date (as defined herein) thereof, the amount

of any compensation that would otherwise be due hereunder to a Participant in any fiscal year, but under no circumstances may the Committee increase the amount of compensation payable hereunder. Additionally, the Committee may in the future, in its discretion, designate additional senior executives to participate in the Plan.

4. DETERMINATION OF BONUS POOL.

Bonuses shall be awarded to Participant's under the Plan for each fiscal year of the Company, commencing with the fiscal year ended September 30, 1995 in an aggregate amount equal to 1% of the Company's Pre-Tax Income for the fiscal year, plus an amount equal to .5% of the increase in Pre-Tax income over the prior fiscal year (the "Bonus Pool").

For purposes of the above computation "Pre-Tax Income" means, for a fiscal year, the Company's income before federal and state income taxes, excluding special or nonrecurring charges or items.

5. PAYMENT OF BONUSES.

Each bonus awarded to a Participant hereunder shall be payable to such Participant no later than the end of the first quarter of the succeeding fiscal year (the "Payment Date"); provided however, that no payment shall be made hereunder until the Committee certifies, in the form of approved minutes by the Committee, that the Company achieved the amount of Pre-Tax Income used to calculate the Bonus Pool, and that the calculation of the Bonus Pool and determination of the amount of bonus to be paid to each Participant was correct.

6. EFFECTIVE DATE, TERM AND AMENDMENT OF PLAN.

(a) Subject to paragraph 6(b) below, the Plan shall be effective with respect to the Company's fiscal year ended September 30, 1995, and shall continue in effect for each fiscal year thereafter until terminated by the Committee. The Committee shall have the power to amend, modify or terminate the Plan, in its sole discretion; provided however, that the Committee may not, without approval of the shareholders of the Company, amend or modify any of the "material terms" (as defined by Section 162(m)) of the Plan.

(b) The "material terms" (as defined by Section 162(m)) of the Plan shall be disclosed to and submitted for approval by the shareholders of the Company at the Annual Meeting of the Company to be held on or about January 13, 1995. No bonus payments shall be made under the Plan, unless and until such shareholder approval is obtained.

7. GOVERNING LAW.

The Plan and such rights as may be granted hereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Arkansas from time to time obtaining.

TYSON FOODS, INC.

RESTRICTED STOCK BONUS PLAN

(Amended Effective April 15, 1994)

1. ESTABLISHMENT, PURPOSE AND DEFINITIONS.

(a) The Restricted Stock Bonus Plan (the "Plan") was originally adopted by the Board of Directors of Tyson Foods, Inc. (the "Company") on August 21, 1989, and was duly approved by majority vote of the stockholders of the Company on February 28, 1992. The Plan is now restated to include amendments adopted by the Board of Directors of the Company effective April 15, 1994.

(b) The purpose of the Plan is to provide a means whereby the Company can provide incentive compensation in the form of Restricted Shares of Tyson Foods, Inc. Class A Common Stock (the "Shares") to certain employees of the Company and its subsidiaries.

2. STOCK SUBJECT TO THE PLAN.

(a) The total number of Shares which may be awarded under the Plan shall not exceed 1,600,000 shares, in the aggregate (subject to future adjustment in accordance with paragraph 2(b)). As the Committee (as hereinafter defined) may determine from time to time, the Shares issued under the Plan may consist either in whole or in part of shares of authorized but unissued stock, or shares of authorized and issued stock reacquired by the Company. If Shares are forfeited for any reason, such Shares shall be available for award under the Plan.

(b) If there shall be any change in the Shares subject to the Plan through merger, consolidation, reorganization, recapitalization, reincorporation, stock split, stock dividend (in excess of 2%), or other change in the corporate structure of the Company, appropriate adjustment shall be made by the Committee to the aggregate number of Shares subject to the Plan in order to preserve but not to increase, the benefits of the holder.

3. ELIGIBILITY.

Persons who shall be eligible to have granted to them the Shares provided for by the Plan shall be such bona fide key employees of the Company or its affiliates (including officers, whether or not they are directors) as the Committee in its discretion shall designate from time to time. Members of the Board of Directors of the Company or any affiliate who are not employed as regular salaried officers or employees of the Company or any affiliate may not participate in the Plan. Additionally, participants under the Company's Executive Savings Plan ("ESP") and Management Savings Plan ("MSP") will be eligible to receive certain limited grants of Shares as provided in paragraph 5(d) hereof.

4. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by the Compensation Committee of the Board of Directors (the "Committee") consisting of not less than three directors of the Company to be appointed by the Board of Directors. The Board of Directors may from time to time remove members from, or add

members to, the Committee with or without cause. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. Each member of the Committee shall be a "disinterested person" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Committee shall select one of its members as chairman and shall hold meetings at such times and places as it may determine. A majority of the Committee shall constitute a quorum and acts of the Committee at which a quorum is present, or acts deducted to or approved in writing by all the members of the Committee, shall be the valid acts of the Committee.

(b) The Committee shall report to the Board of Directors the names of employees granted Shares and the number of Shares granted.

(c) Except as provided in paragraph 4(d), the Committee shall have the sole authority, in its absolute discretion, to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan; and to construe and interpret the Plan, the rules and regulations, and the instruments evidencing the grants under the Plan and to make all other determinations deemed necessary or advisable for the administration of the Plan. All decisions, determinations, and interpretations of the Committee shall be binding on all participants.

(d) Any or all powers and functions of the Committee may at any time and from time to time be exercised by the Board of Directors; provided, however, that, no exercise of this authority shall occur unless all members of the Board of Directors are "disinterested persons" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Exchange Act.

(e) The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any counsel or consultant and any computation received for any such consultant or agent. Expenses incurred by the Board of Directors or the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee or of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any awards granted hereunder.

5. RESTRICTED SHARES.

(a) Administration. Shares of the restricted stock may be issued either alone, or in addition to or in tandem with other awards granted under the Plan or other Company plans. Except for Shares granted pursuant to paragraph 5(d), hereof, the Committee shall determine the eligible persons to whom, and the time or times at which, grants of Shares will be made, the number of Shares to be awarded, the price (if any) to be paid by the recipient of Shares (subject to Section 5(b)), the time or times within which such awards may be subject to forfeiture, and all other terms and conditions of the awards.

The Committee may condition the grant of Shares upon the attainment of specified performance goals or such other factors as the Committee may determine, in its sole discretion.

The provisions of Share awards need not be the same with respect to each participant.

(b) Awards and Certificates. The prospective recipient of a Share award shall not have any rights with respect to such award, unless and until such recipient has executed a Restricted Stock Award Agreement (the "Agreement") evidencing the award and has delivered a fully executed copy thereof to the Company, and has otherwise complied with the applicable terms and conditions of such award.

(i) The purchase price for Shares of restricted stock shall be equal to or less than their par value and may be zero.

(ii) Awards of Shares must be accepted within a period of 60 days (or such shorter period as the Committee may specify at grant) after the award date, by executing the Agreement and paying whatever price (if any) is required under Section 5(b)(i).

(iii) Except as permitted in Section 5(b)(v) below, each participant receiving a Share award shall be issued a stock certificate in respect of such shares of restricted stock. Such certificate shall be registered in the name of such participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such award.

(iv) The Committee shall require that the certificates evidencing such Shares issued pursuant to Section 5(b)(iii) above be held in custody by the Company until the restrictions thereon shall have lapsed, and that, as a condition of any Share award, the participant shall have delivered a stock power, endorsed in blank, relating to the Shares covered by such award.

(v) In lieu of having stock certificates issued to any participant receiving a Share award in the manner described in Section 5(b)(iii) and (iv) above, the Committee, in its sole discretion, may cause such stock certificates to be issued on an aggregate basis in the name of the Plan, rather than on a per grantee basis, and held by the Plan on behalf of the grantees. At such time as such Shares are required to be delivered to the grantees on an unrestricted basis under Section 5(c)(iv) below, the Committee shall cause stock certificates in respect of such Shares to be issued to the appropriate participants. For all purposes under this Plan, references to "Shares" shall include any participant's undivided interest in such Shares as provided in this Section 5(b)(v).

(c) Restrictions and Conditions. The Shares of restricted stock awarded pursuant to this Section 5 shall be subject to the following restrictions and conditions:

(i) Subject to the provisions of this Plan and the Agreement, during a period set by the Committee commencing with the date of such award (the "Restriction Period"), the participant shall not be permitted to sell, transfer, pledge or assign Shares of restricted stock awarded under the Plan. Within these limits, the Committee, in its sole discretion, may provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part, based on service, performance and/or such other factors or criteria as the Committee may determine, in its sole discretion.

(ii) Except as provided in this paragraph (ii) and Section

5(c)(i), the participant shall have, with respect to the Shares of restricted stock, all of the rights of a shareholder of the Company, including the right to vote the Shares, and the right to receive any normal quarterly cash dividends. The Committee, in its sole discretion, as determined at the time of award, may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested in additional Shares to the extent Shares are available under Section 2, or otherwise reinvested. Stock dividends and any extraordinary dividends issued with respect to Shares shall be treated as additional Shares of Restricted Stock that are subject to the same restrictions and other terms and conditions that apply to the Shares with respect to which such dividends are issued.

(iii) Subject to the applicable provisions of the Agreement and this Section 5, upon termination of a participant's employment with the Company and any Subsidiary or affiliate for any reason during the Restriction Period, all Shares still subject to restriction will vest, or be forfeited, in accordance with the terms and conditions established by the Committee at or after grant.

(iv) If and when the Restriction Period expires without a prior forfeiture of the Shares subject to such Restriction Period, certificates for an appropriate number of unrestricted Shares shall be delivered to the participant promptly.

(v) All recipients of Shares under this Plan who are otherwise subject to the requirements of Section 16 of the Exchange Act, shall be subject to a six-month holding period from the date of award of Shares under the Plan to the date of sale of the Shares.

(d) Premium Earnings Award. Notwithstanding the Committee's ability to effect discretionary awards of Shares pursuant to paragraph 5(a) above, the Committee shall be required to provide for premium earnings awards of Shares (the "Premium Earnings Shares") to participants under the ESP and MSP. The Premium Earnings Shares shall be administered pursuant to the rules, regulations and conditions of this Plan; provided, however, that the timing, amount, and conditions relating to forfeitability and transferability of such Premium Earnings Shares shall be as set forth in the ESP or MSP.

6. ISSUANCE OF CERTIFICATES, LEGENDS AND PAYMENT OF EXPENSES.

(a) A certificate or certificates for the Shares shall be issued by the Company in the name of the person awarded the Shares and shall be delivered to or upon the order of such person or persons, as permitted by state or federal securities law.

(b) The Company may place such legend or legends upon the certificates Shares issued, and the Committee may issue such "stop transfer" instructions to its transfer agent in respect of such Shares, as the Committee, in its discretion, determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), or (ii) implement the provisions of any agreement between the Company and the participant with respect to such Shares.

(c) The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a registration statement under the Securities Act, which fees and expenses shall be borne by the recipient of the Shares unless such registration statement has been filed by the Company for its own corporate purposes (and the Company so states) in which event the recipient of the Shares shall bear only such fees and expenses as are attributable solely to the inclusion of such Shares in the registration statement.

(d) All Shares issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

7. WITHHOLDING TAXES.

(a) The Company may require an employee receiving an award of Shares granted hereunder to reimburse the corporation which employs such employee for any taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of Shares. In lieu thereof, the corporation which employs such employee shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the employee upon such terms and conditions as the Committee shall prescribe.

(b) The Committee may, in its discretion, permit a participant to satisfy the participant's tax withholding obligations under paragraph 7(a), in whole or in part, by tendering to the Company Shares awarded having a fair market value equal to the amount which would otherwise be withheld. Participants wishing to have all or any portion of their tax obligation satisfied in such manner must notify the Corporate Secretary of the Company of such fact in writing on or before the award date; provided that recipients who are otherwise subject to Section 16(a) of the Exchange Act must give such written notice (i) at least six months prior to the date the amount of withholding tax due with respect to the option exercise is calculated (the "Tax Date") or (ii) prior to the Tax Date during any period beginning on the third business day following the date of release for publication by the Company of quarterly or annual summary statements of earnings and profits and ending on the twelfth business day following such date of release.

8. LISTING OF SHARES AND RELATED MATTERS.

If at any time the Board of Directors shall determine in its discretion that the listing, registration or qualification of the Shares covered by the Plan upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares under the Plan, no Shares shall be delivered unless and until such listing, registration, qualifications, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board of Directors.

9. AMENDMENT, SUSPENSION, OR TERMINATION OF THE PLAN.

(a) The Board of Directors may at any time suspend or terminate the Plan, and may amend it from time to time in such respects as the Board

may deem advisable; provided, however, except as provided in paragraph 2(b) hereof, the Board of Directors shall not amend the Plan in the following respects without the consent of stockholders then sufficient to approve the Plan in the first instance:

- (i) To materially increase the maximum number of shares of stock subject to the Plan; or
 - (ii) To materially change the designation or class of employees eligible to receive options or rights under the Plan; or
 - (iii) In a manner that would otherwise require shareholder approval to maintain qualification under Rule 16b-3 of the Exchange Act.
- (b) Unless the Plan theretofore shall have terminated, the Plan shall terminate on September 2, 2004. No Shares may be granted under any suspension or after the termination of the Plan, and no amendment, suspension or termination of the Plan shall, without the holder's consent, alter or impair any rights or obligations related to any Shares theretofore granted to him under the Plan.

10. GOVERNING LAW.

The Plan and such rights as may be granted hereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Arkansas from time to time obtaining.

AMENDMENT TO TYSON FOODS, INC. RESTRICTED STOCK BONUS PLAN

THIS AMENDMENT (the "Amendment") amends and modifies the Tyson Foods, Inc. Restricted Stock Bonus Plan (the "Plan"), originally adopted by the Board of Directors of Tyson Foods, Inc. (the "Company") on August 21, 1989, as amended and restated effective April 15, 1994.

WHEREAS, on November 15, 1994, the Board of Directors of Tyson Foods, Inc. (the "Company") approved the Amendment to be effective as of June 30, 1994; and

WHEREAS, the purpose of the Amendment is to provide a more efficient and workable method for satisfying a Plan participant's tax withholding obligations pursuant to Section 7(b) thereof;

NOW THEREFORE, the Company hereby amends the Plan as follows:

1. Section 7(b) of the Plan is amended and restated in its entirety to read as follows:

Unless the Committee provides otherwise, in its sole discretion, by resolution or as part of the Agreement evidencing an award of Shares under the Plan, a participant may satisfy his tax withholding obligations relating to the Shares, in whole or in part, by tendering to the Company Shares awarded under the Plan having a fair market value (determined on the basis of the closing sales price for the Shares as reported by the National Association of Securities Dealers, Inc. Automated Quotation System on the date such withholding tax due is calculated by the

Company (the "Tax Date")) equal to the amount which would otherwise be required to be paid by participant to the Company pursuant to paragraph 7(a) above. Participants wishing to have all or any portion of their tax obligations satisfied in such manner must notify the benefits administration office of the Company in writing on or before the Tax Date.

The effective date of this Amendment shall be June 30, 1994.

Except as expressly modified by this Amendment, all other terms and conditions of the Plan shall remain in full force and effect.

TYSON FOODS, INC.

AMENDED AND RESTATED

NONSTATUTORY STOCK OPTION PLAN

Adopted: December 17, 1982

Amended and Restated: September 5, 1987

Amended and Restated: November 18, 1994

TYSON FOODS, INC.

AMENDED AND RESTATED

NONSTATUTORY STOCK OPTION PLAN

1. ESTABLISHMENT, PURPOSE AND DEFINITIONS.

(a) The Tyson Foods, Inc. Nonstatutory Stock Option Plan (the "Plan") was originally adopted by the Board of Directors of Tyson Foods, Inc. (the "Company") on December 17, 1982 and was originally approved by majority vote of the stockholders of the Company on February 25, 1983. The Plan has been subsequently amended by the Board of Directors of the Company on September 5, 1987 and November 18, 1994 is hereby restated in such amended form.

(b) The purpose of the Plan is to provide a means whereby key employees and independent contractors of the Company or its affiliates may be given an opportunity to purchase shares of the Class A Common Stock of the Company (the "Stock") pursuant to options which do not qualify as "incentive stock options" under Section 422A of the Internal Revenue Code. In addition, key employees may be awarded stock appreciation rights ("Rights") payable in Stock or cash, or any combination thereof, as provided herein.

(c) The term "key employee" or "key employees" herein shall mean one or more (i) employees of the Company or its affiliates, and (ii) officers, directors and consultants, whether employees or independent contractors, who render those types of services which tend to contribute materially to the success of the Company or an affiliate or which reasonably may be anticipated to contribute materially to the future success of the Company or an affiliate.

(d) The term "affiliates" as used in the Plan means parent or subsidiary corporations, as defined in Section 425 of the Internal Revenue Code (but substituting "Company" for "employer corporation"), including parents or subsidiaries which become such after adoption of the Plan.

2. STOCK SUBJECT TO THE PLAN.

(a) The total number of shares of Stock which either may be purchased pursuant to the exercise of options granted under the Plan or acquired pursuant to the exercise of Rights granted under the Plan shall not exceed, in the aggregate, 5,500,000 shares (which amount reflects all adjustments through November 18, 1994 and is subject to future adjustment in accordance with paragraph 2(b)) (the "Total Plan Shares"). Accordingly, the sum of (i) the number of shares of Stock subject at any time to options or Rights granted under the Plan and (ii) the number of shares of Stock then outstanding pursuant to exercises of options or Rights granted under the Plan shall not exceed the Total Plan Shares. Additionally, the maximum number of shares of Stock subject to option and Rights granted to an "executive officer" of the Company (as determined by the Company's Board of Directors from time to time) shall not exceed 2% of the Total Plan Shares. As the Committee (as hereinafter defined) may determine from time to time, the shares of Stock subject to options or Rights granted under the Plan may consist either in whole or in part of shares of authorized but unissued Stock, or shares of authorized and issued Stock reacquired by the Company. If an option or Right is surrendered or for any other reason ceases to be exercisable in whole or in part, the shares which were subject to such option or Right but as to which the option or Right had not been exercised shall continue to be available under the Plan.

(b) If there shall be any change in the Stock subject to the Plan or the Stock subject to any option or Right granted hereunder, through merger, consolidation, reorganization, recapitalization, reincorporation, stock split, stock dividend (in excess of 2%), or other change in the corporate structure of the Company, appropriate adjustment shall be made by the Committee to the Total Plan Shares and the number of shares and price per share subject to outstanding options or Rights in order to preserve, but not to increase, the benefits of the holder; provided, however, that subject to any required action by the stockholders, if the Company shall not be the surviving corporation in any merger, consolidation, or reorganization, every option or Right outstanding hereunder shall terminate, unless the surviving corporation shall (subject to any applicable provisions of the Internal Revenue Code) assume (with appropriate changes) the outstanding options or Rights or replace them with new options or Rights of comparable value. Notwithstanding the preceding proviso, if such surviving corporation does not so assume or replace the outstanding options or Rights hereunder, each holder shall have the right immediately prior to such merger, consolidation or reorganization to exercise his outstanding option(s) or Right(s).

3. ELIGIBILITY.

Persons who shall be eligible to have granted to them the options or Rights provided for by the Plan shall be such bona fide key employees of the Company or its affiliates (including officers, whether or not they are directors) as the Committee in its discretion shall designate from time to time.

4. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by the Compensation Committee of the Board of Directors, or a Subcommittee thereof (the "Committee"), consisting of not less than two directors of the Company to be appointed by the Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee with or without cause. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. Each member of the Committee shall be (i) a "disinterested person" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (ii) an "outside director" as defined pursuant to Section 162(m) of the Omnibus Budget Reconciliation Act of 1993, as amended. The Committee shall select one of its members as chairman and shall hold meetings at such times and places as it may determine. A majority of the Committee shall constitute a quorum and acts of the Committee at which a quorum is present, or acts reduced to or approved in writing by all the members of the Committee, shall be the valid acts of the Committee.

(b) The Committee may from time to time determine which key employees of the Company or any affiliates shall be granted options or Rights under the Plan and the terms thereof, and, subject to the provisions of paragraph 2 hereof, the number of shares which may be acquired under the options or Rights.

(c) The Committee shall report to the Board of Directors the names of persons granted options or Rights, the number of shares covered by each option or Right, and the terms and conditions of each such option or Right.

(d) The Committee shall have the sole authority, in its absolute discretion, to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan; and to construe and interpret the Plan, the rules and regulations, and the

instruments evidencing options, Rights and loans granted under the Plan and to make all other determination: deemed necessary or advisable for the administration of the Plan. All decisions, determinations, and interpretations of the Committee shall be binding on all holders of options or Rights.

(e) The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent. Expenses incurred by the Board of Directors or the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee or of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any option or Right granted hereunder.

5. THE OPTION PRICE.

(a) The option price of the shares of Stock covered by each option shall not be less than the fair market value of such shares on the date the option is granted. Such price shall be subject to adjustment as provided in paragraph 2(b) hereof.

(b) The option price shall become due immediately upon exercise of the option and shall be payable in full in cash or cash equivalents; provided, however, that the Committee shall have the authority, exercisable at its discretion either at the time the option is granted or at the time it is exercised, to make the option payable in one of the alternative forms specified below:

(i) full payment in shares of Stock having a fair market value on the Exercise Date (as such term is defined below) equal to the option price; or
(ii) a combination of shares of Stock valued at fair market value on the Exercise Date and cash or cash equivalents, equal in the aggregate to the option price. For purposes of this paragraph 5(b), the Exercise Date shall be the date on which the Company receives written notice of the exercise of the option, together with payment of the option price in the form authorized by the Committee.

(c) For purposes of determining the fair market value of Stock on any relevant date under subparagraph (a) or (b) above, the following rules shall apply:

(i) If the Stock is not at the time listed or admitted to trading on a stock exchange or in the over-the-counter market under the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"), the fair market value shall be the mean between the lowest reported bid price and highest reported asked price of the Stock on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Company and regularly reporting the market price of the Stock in such market; or

(ii) If the Stock is at the time listed or admitted to trading in the over-the-counter market under NASDAQ or on any stock exchange, then the fair market value shall be the reported closing sale price of the Stock on the date in question on NASDAQ or on the principal exchange on which the Stock is then listed or admitted to trading, as the case may be. If no reported sale of Stock takes place on the date in question, then the reported closing asked price of the Stock on such date shall be determinative of fair market value.

(d) If any portion of the option price is paid by delivery of shares of Stock, the certificates representing such shares shall be presented to the Company in proper form for transfer accompanied by all requisite stock transfer tax stamps or cash in lieu thereof.

6. TERMS AND CONDITIONS OF OPTIONS. Each option granted pursuant to the Plan shall be evidenced by a written Stock Option Agreement executed by the Company and the person to whom such option is granted. The term of each option shall be for such a period of time, not more than ten years from the date it is granted, as the Committee may determine. During the lifetime of the optionee, the option shall be exercisable only by the optionee or by his guardian or legal representative and shall not be assignable or transferable other than by will or the laws of descent and distribution. In addition, the Stock Option Agreement may contain such other terms, provisions and conditions as may be determined by the Committee including, without limitation, provisions relating to the effect upon exercisability of the death or termination of employment of the optionee, the extension of credit to the optionee by the Company or the guarantee by the Company of any loan to the optionee from a third party to finance the exercise of the option, and the terms of any Right granted with respect to the option. During the term of each option granted pursuant to the Plan, the Committee, with the consent of the holder of the Option, may modify any or all of the terms, provisions and conditions of such option so long as such modified terms, provisions and conditions are otherwise permissible pursuant to the terms of the Plan as approved by the stockholders of the Company.

7. STOCK APPRECIATION RIGHTS.

(a) In the discretion of the Committee, a Right may be granted

(i) alone, (ii) simultaneously with the grant of an option and in tandem therewith or in the alternative thereto or (iii) subsequent to the grant of an option and in tandem therewith or in the alternative thereto. Any Right shall be exercisable upon such additional terms and conditions as may from time to time be prescribed by the Committee; provided that a Right granted alone shall be deemed exercised on the last day of its term if the Right is not otherwise exercised by the holder thereof and the fair market value of the shares of Stock subject to the Right exceeds the exercise price thereof on such date. During the lifetime of a holder, a Right shall be exercisable only by the holder or by his guardian or legal representative and shall not be assignable or transferable other than by will or the laws of descent and distribution.

(b) The exercise price of a Right granted alone shall be determined by the Committee, but shall not be less than one hundred percent (100%) of the fair market value of one share of Stock on the date of grant of such Right. A Right granted simultaneously with or subsequent to the grant of an option and in tandem therewith or in the alternative thereto shall have the same exercise price as the related option, shall be transferable only upon the same terms and conditions as the related option, and shall be exercisable only to the same extent as the related option; provided however, that a Right, by its terms, shall be exercisable only when the fair market value of the shares of Stock subject to the Right and related option exceeds the exercise price thereof.

(c) Upon exercise of a Right granted simultaneously with or subsequent to an option and in the alternative thereto, the number of shares of Stock for which the related option shall be exercisable shall be reduced by the number of shares of Stock for which the Right shall have been exercised. The number of shares of Stock for which a Right granted in the alternative to an option shall be exercisable shall be reduced upon any

exercise of the related option by the number of shares of Stock (for which such option shall have been exercised).

(d) A Right shall entitle the holder to receive from the Company, upon a written request filed with the Corporate Secretary of the Company at its principal offices (the "Request"), a number of shares of Stock as specified in the Request (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), an amount of cash, or any combination of shares of Stock and cash, as set forth in the Request (but subject to the approval of the Committee, in its sole discretion, at any time up to and including the time of payment, as to the making of any cash payment), having an aggregate value equal to the product of (i) the excess of the fair market value on the day of such Request of one share of Stock over the exercise price per share of Stock specified in such Right or its related option, multiplied by (ii) the number of shares of Stock for which such Right shall be exercised; provided, however, that the Committee, in its discretion, may impose a maximum limitation on the amount of cash, the fair market value of shares of Stock, or a combination thereof, which may be received by a holder upon exercise of a Right.

(e) Any election by a holder of a Right to receive cash in full or partial settlement of such Right, and any exercise of such Right for cash, may be made only by a Request filed with the Corporate Secretary of the Company during the period beginning on the third business day following the date of release for publication by the Company of quarterly or annual summary statements of earnings and profits and ending on the twelfth business day following such date. Within sixty (60) days of the receipt by the Company of a Request to receive cash in full or partial settlement of a Right or to exercise such Right for cash, the Committee shall, in its sole discretion, either consent to or disapprove, in whole or in part, such Request. If the Committee disapproves in whole or in part any election by a holder to receive cash in full or partial settlement of a Right or to exercise such Right for cash, such disapproval shall not affect such holder's right to exercise such Right at a later date, to the extent that such Right shall be otherwise exercisable, or to elect the form of payment at a later date, provided that an election to receive cash upon such later exercise shall be subject to the approval of the Committee. Additionally, such disapproval shall not affect such holder's right to exercise any related option or options granted to such holder under the Plan. Notwithstanding the foregoing, a holder or a Right shall not receive cash in full or partial settlement of such Right, or upon the full or partial exercise of such Right, if such Right or the related option shall have been exercised during the first six (6) months of its respective term; provided, however, that such prohibition shall not apply if the holder of such Right dies or becomes disabled (within the meaning of Section 105(d) (4) of the Internal Revenue Code) prior to the expiration of such six-month period, or if such holder is not a director or officer of the Company or a beneficial owner of the Company who is described in Section 16 (a) of the Exchange Act.

(f) The fair market value of shares of Stock subject to Rights shall be determined in accordance with paragraph 5(c).

8. LOANS OR GUARANTEE OF LOANS. The Committee may authorize the extension of a loan to an optionee by the Company (or the guarantee by the Company of a loan obtained by an optionee from a third party) in order to assist an optionee to exercise an option granted under the Plan. The terms of any Loans or guarantees, including the interest rate, if any, and terms of repayment, will be subject to the discretion of the Committee. Loans and guarantees may be granted with or without security, the maximum credit available being

the exercise price of the option sought to be executed plus any tax liability incurred upon exercise of the option.

9. **TERMINATION AND NEW GRANT OF OPTIONS OR RIGHTS.** The Committee shall have the authority to effect, at any time and from time to time, with the consent of the affected holders, the termination of any or all outstanding options or Rights under the Plan and to grant in substitution therefor new options or Rights under the Plan covering the same or different numbers of shares of Stock. The option price of substituted options and the exercise price of substituted Rights shall be determined by the Committee subject to the requirements of Paragraph 5(a) and Paragraph 7(b), respectively.

10. **USE OF PROCEEDS.** Proceeds realized from the exercise of options granted under the Plan shall constitute general funds of the Company.

11. **PURCHASE FOR INVESTMENT.** Except as hereafter provided, the holder of an option or Right granted hereunder shall, upon any exercise thereof, execute and deliver to the Company a written statement, in form satisfactory to the Company, in which such holder represents and warrants that such holder is purchasing or acquiring all shares of Stock acquired thereunder for such holder's own account, for investment only and not with a view to the resale or distribution of any of such shares. Any resale or distribution of such shares shall be made only pursuant to either (a) a current and effective registration statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the holder shall, prior to any offer of sale or sale of such shares, obtain a favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the application of such exemption thereto. The foregoing restriction shall not apply to (i) issuances by the Company so long as the shares being issued are registered under the Securities Act and a prospectus in respect thereof is current or (ii) reofferings of shares by "affiliates" of the Company (as such term is defined in Rule 405 or any successor rule or regulation promulgated under the Securities Act) if the shares being reoffered are registered under the Securities Act and a prospectus in respect thereof is current.

12. **ISSUANCE OF CERTIFICATES, LEGENDS AND PAYMENT OF EXPENSES.**

(a) Upon any exercise of an option or Right which may be granted hereunder and, in the case of an option, payment of the option price, a certificate or certificates for the shares of Stock as to which the option or Right has been exercised shall be issued by the Company in the name of the person exercising the option or Right and shall be delivered to or upon the order of such person or persons, as permitted by state or federal securities law.

(b) The Company may place such legend or legends upon the certificates for shares of Stock issued upon exercise of an option or Right granted hereunder, and the Committee may issue such "stop transfer" instructions to its transfer agent in respect of such shares, as the Committee, in its discretion, determines to be necessary or appropriate to

(i) prevent a violation of, or to perfect an exemption from the registration requirements of, the Securities Act, or (ii) implement the provisions of any agreement between the Company and the Optionee or grantee with respect to such shares.

(c) The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of shares of Stock, as well as all fees and expenses necessarily incurred by the Company in connection with such

issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a registration statement under the Securities Act, which fees and expenses shall be borne by the recipient of the shares unless such registration statement has been filed by the Company for its own corporate purposes (and the Company so states) in which event the recipient of the shares shall bear only such fees and expenses as are attributable solely to the inclusion of such shares in the registration statement.

(d) All shares of Stock issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

13. WITHHOLDING TAXES.

(a) The Company may require an optionee exercising a Right or option granted hereunder to reimburse the corporation which employs such optionee for any taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of shares of Stock. In lieu thereof, the corporation which employs such optionee shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the optionee upon such terms and conditions as the Committee shall prescribe.

(b) The Committee may, in its discretion, permit an optionee to satisfy the optionee's tax withholding obligations under Paragraph 13(a), in whole or in part, by tendering to the Company shares of Stock acquired in the option exercise having a fair market value, computed in accordance with paragraph 5(c), equal to the amount which would otherwise be withheld. Optionees wishing to have all or any portion of their tax obligation satisfied in such manner must notify the Corporate Secretary of the Company of such fact in writing on or before the exercise date of the option.

14. LISTING OF SHARES AND RELATED MATTERS.

If at any time the Board of Directors shall determine in its discretion that the listing, registration or qualification of the shares of Stock covered by the Plan upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or Purchase of shares under the Plan, no shares shall be delivered unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board of Directors.

15. AMENDMENT, SUSPENSION, OR TERMINATION OF THE PLAN.

(a) The Board of Directors may at any time suspend or terminate the Plan, and may amend it from time to time in such respects as the Board may deem advisable; provided, however, except as provided in paragraph 2(b) hereof, the Board of Directors shall not amend the Plan in the following respects without the consent of stockholders then sufficient to approve the Plan in the first instance:

(i) To increase the maximum number of shares of Stock subject to the Plan; or

(ii) To change the designation or class of persons eligible to receive options or Rights under the Plan.

(b) Unless the Plan theretofore shall have been terminated, the Plan shall terminate on March 31, 2000. No option or Right may be granted under any suspension or after the termination of the Plan, and no amendment, suspension or termination of the Plan shall, without the holder's consent, alter or impair any rights or obligations under any option or Right theretofore granted to him under the Plan.

16. GOVERNING LAW. The Plan, such options and Rights as may be granted hereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Arkansas from time to time obtaining.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into on this 1st day of July, 1994 by and between Tyson Foods, Inc., an Arkansas corporation (the "Company"), and Donald J. Tyson, an individual and resident of Captiva, Florida ("Tyson"). This Agreement supersedes and replaces an earlier Employment Agreement between said parties dated December 7, 1990 and any and all oral arrangements related thereto or arising thereafter.

WITNESSETH:

WHEREAS, during Tyson's employment by the Company he has been primarily responsible for promoting the overall growth of the Company; and

WHEREAS, the Board of Directors of the Company believes that the future services of Tyson will be of great value to the Company, and by this Agreement proposes to ensure his continued employment; and

WHEREAS, Tyson hereby expresses his willingness to continue in the employment of the Company as is hereby provided;

NOW THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Period of Active Employment. Tyson shall continue in the active employment of the Company until December 31, 1995 (the "Initial Term"), which employment shall be automatically extended for successive periods of one year, commencing on January 1, 1996, and each January 1 thereafter (the "Anniversary Date") following said Initial Term; provided however, that said employment may be terminated upon written notice by either party at least 10 days prior to any Anniversary Date (the "Termination Date").
2. Duties. During the period of this contract, and subject to the limitations hereinafter expressed, Tyson agrees to serve the Company faithfully and to the best of his ability, under the direction of the Board of Directors of the Company, devoting his time, energy and skill to the management of the Company's business.

3. Compensation. The Company agrees to pay to Tyson during the period of his active employment, as defined in Section 1 above, as regular salary for his full time services, the sum of Seven Hundred Twenty Thousand Dollars (\$720,000) per annum, payable in equal monthly installments, subject to adjustment at any time by mutual agreement of the parties hereto. Additional annual compensation may be paid Tyson from time to time by majority vote of the Compensation Committee of the Board of Directors of the Company, with members of the Tyson family or any other interested director abstaining.

4. Disability. If, while in the full time employ of the Company, Tyson becomes disabled to the extent that he is no longer capable of performing his services fully as herein contemplated, the Company shall pay to him an annual salary, in equal monthly installments, which is equal to the lesser of (i) one-half (1/2) of his average total annual compensation (i.e., regular salary plus bonuses) for the three year period immediately prior to the date of his disability of (ii) \$ 720,000, increased (but not decreased) annually hereafter by the same percentage as the percentage increase, if any, in the Consumer Price index; provided, however, that Tyson shall continue to perform during his disability such advisory and consultative services as his physical condition and circumstances permit; further provided, however, that the said disability shall have continued for a period of six (6) months before the Company may invoke this provision, said monthly period to begin to run as of the first day of the month following the month in which his disability occurs. As used herein, the term "Consumer Price Index" means the Consumer Price Index for All Urban Consumers (CPI-U), All Items, U.S. Average (1967=100), which is now compiled with the U.S. Department of Labor, and shall mean and include such other index or statistics as may succeed it, as adjusted to account for any change in the standard reference base year.

5. Death. In the event of Tyson's death, while in the full time active employment of the Company, the Company shall pay to his three surviving children, John Tyson, Cheryl Tyson, and Carla Tyson, in equal shares, an annual sum, in equal monthly installments, equal to one-half (1/2) of Tyson's average annual regular salary for the three (3) year period immediately prior to his death. These payments shall continue for a period of ten (10) years from the date of Tyson's death.

In the event of Tyson's death while drawing payments under the provisions of Paragraph 4, the Company shall pay to the same three surviving children in equal shares an annual sum, in equal monthly installments, which sum shall be the same as Tyson was drawing during his disability period, for a period of time which shall end ten (10) years from the date of Tyson's disability.

6. Retirement. The Company hereby retains Tyson to perform and Tyson agrees to perform, during the period beginning with Tyson's retirement from full time active employment on the Termination Date, and continuing to the end of his life, such advisory and consultative services on a part time basis as may be required by the Board of Directors of the Company, subject, however, to the condition that Tyson shall not be required to render such services during periods of illness or other incapacity.

The Company shall pay Tyson and Tyson shall accept from the Company for his services during this period, annual compensation, payable in equal monthly installments, equal to the lesser of (i) one-half (1/2) of this average total annual compensation (i.e., regular salary plus any bonuses) for the three year period immediately prior to his retirement of (ii) \$720,000 increased (but not decreased) annually hereafter by the same percentage as the percentage increases, if any, in the Consumer Price Index. If Tyson dies during the consultative period, the Company shall continue to pay to his same three surviving children the aforesaid monthly payments for a period of time which shall end ten (10) years from the date of Tyson's retirement.

7. Restrictive Covenant. Tyson expressly agrees, as a condition to the performance by the Company of its obligations hereunder, that during the term of this agreement and during the further period providing for consultative services, he will not, directly or indirectly, enter into or in any manner take part in any business competitive with any business of the Company, without the prior written consent of the Company.

8. Prohibition Against Assignment. Neither Tyson nor his children shall have the right to commute, encumber, or dispose of the right to receive payments hereunder, which payments and the right thereto are expressly declared to be non-assignable and non-transferable, and in the event of any attempted assignment or transfer, the Company shall have no further liability hereunder.

9. Reorganization. The Company shall not merge or consolidate with any other organization or organizations until such organization or organizations expressly assume the duties of the Company herein set forth.

10. Independence of Other Agreements. This agreement is hereby declared to be independent of the cumulative of any other retirement or deferred compensation plans now or hereafter adopted by the Company, and shall not, unless mutually agreed upon in writing, be supplanted or replaced by any other such plan or agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate original the day and year first above recited.

TYSON FOODS, INC.

BY: /s/ Leland Tollett

*Leland Tollett, President, CEO and Vice
Chairman*

ATTEST:

/s/ Mary Rush

Mary Rush, Secretary

/s/ Donald J Tyson

Donald J Tyson

EXHIBIT 11

TYSON FOODS, INC.
 Computation of Earnings (Loss) Per Share
 (In Thousands Except Per Share Data)

	1994	1993	1992
	-----	-----	-----
Primary:			
Average common shares outstanding during the period	146,962	147,212	137,462
Net effect of dilutive stock options based on the treasury stock method using average market price	816	1,129	930
	-----	-----	-----
Total common and common equivalent shares outstanding	147,778	148,341	138,392
	=====	=====	=====
Net income (loss)	(\$2,128)	\$180,334	\$160,534
	=====	=====	=====
Earnings (loss) per share	(\$.01)	\$1.22	\$1.16
	=====	=====	=====
Fully Diluted:			
Average common shares outstanding during the period	146,954	147,212	137,462
Net effect of dilutive stock options based on the treasury stock method using the quarter-end market price, if higher than average market price	1,011	1,129	1,040
	-----	-----	-----
Total common and common equivalent shares outstanding	147,965	148,341	138,502
	=====	=====	=====
Net income (loss)	(\$2,128)	\$180,334	\$160,534
	=====	=====	=====
Earnings (loss) per share	(\$.01)	\$1.22	\$1.16
	=====	=====	=====

THE YEAR IN REVIEW

Tyson Foods, Inc.

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Tyson Foods, Inc.
ELEVEN-YEAR FINANCIAL SUMMARY
(In thousands except per share data)

For Fiscal Year End	1994	1993	1992	1991
Sales	\$5,110,270	\$4,707,396	\$4,168,840	\$3,922,054
Cost of Sales	4,149,050	3,796,539	3,390,343	3,147,475
Gross Margin	961,220	910,857	778,497	774,579
Operating Expenses	766,028	535,315	446,825	441,379
Interest Expense	86,063	72,811	76,887	95,459
Other Expense (Income)	(9,488)	(6,904)	(6,254)	(4,782)
Income Before Taxes on Income	118,617	309,635	261,039	242,523
Provision for Income Taxes	120,745	129,301	100,505	97,025
Net Income (Loss)	\$ (2,128)	\$ 180,334	\$ 160,534	\$ 145,498
Earnings Per Share Before Special Charges	\$ 1.37	\$ 1.22	\$ 1.16	\$ 1.05
Special Charges Per Share	\$ (1.38)			
Earnings (Loss) Per Share	\$ (0.01)	\$ 1.22	\$ 1.16	\$ 1.05
Dividends Per Share:				
Class A	\$.0700	\$.0400	\$.0400	\$.0300
Class B	\$.0583	\$.0333	\$.0333	\$.0250
At Fiscal Year End				
Total Assets	\$3,668,000	\$3,253,504	\$2,617,679	\$2,645,751
Net Property, Plant and Equipment	1,609,997	1,435,298	1,142,187	1,161,952
Capital Expenditures	232,108	225,305	107,990	213,576
Working Capital	721,484	285,050	214,070	111,930
Long-Term Debt	1,381,481	920,465	726,515	845,914
Shareholders' Equity	1,289,423	1,360,746	980,189	822,491
Book Value Per Share	\$ 8.88	\$ 9.24	\$ 7.13	\$ 5.99
Ratios				
Current Long-Term Debt to Capitalization	233.66%	154.12%	145.96%	120.35%
Gross Margin	18.81%	19.35%	18.67%	19.75%
Return on Sales	3.97%*	3.83%	3.85%	3.71%
Annual Sales Growth	8.56%	12.92%	6.29%	2.53%
Five Year Compounded Annual Sales Growth	15.02%	19.45%	18.48%	21.13%
Return on Average Quarterly Equity	14.08%*	14.65%	17.92%	19.76%
Five Year Return on Average Quarterly Equity	16.73%*	18.60%	21.34%	23.48%

* Before special charges.

1990	1989	1988	1987	1986	1985	1984
\$3,825,274	\$2,538,244	\$1,935,960	\$1,785,969	\$1,503,719	\$1,135,712	\$750,112
3,081,739	2,056,085	1,627,598	1,483,004	1,271,928	954,425	651,901
743,535	482,159	308,362	302,965	231,791	181,287	98,211
423,422	271,496	183,985	156,773	116,639	92,264	54,954
128,561	45,001	19,490	22,925	20,648	19,446	11,029
(8,517)	2,117	484	59	(3,410)	(591)	(452)
200,069	163,545	104,403	123,208	97,914	70,168	32,680
80,054	62,965	22,969	55,444	47,625	35,337	14,516
\$ 120,015	\$ 100,580	\$ 81,434	\$ 67,764	\$ 50,289	\$ 34,831	\$ 18,164
\$.90	\$.78	\$.64	\$.53	\$.39	\$.29	\$.16
\$.90	\$.78	\$.64	\$.53	\$.39	\$.29	\$.16
\$.0200	\$.0200	\$.0200	\$.0185	\$.0117	\$.0077	\$.0053
\$.0165	\$.0165	\$.0165	\$.0125	N/A	N/A	N/A
\$2,501,062	\$2,586,080	\$ 889,095	\$ 806,772	\$ 760,675	\$ 471,470	\$298,172
1,071,116	1,020,756	430,025	415,855	347,910	226,426	129,619
163,846	128,891	86,279	132,855	117,537	56,625	36,377
102,697	279,940	254,262	71,205	66,589	44,370	40,500
950,407	1,319,385	205,831	211,283	211,888	118,564	87,254
662,988	447,720	341,360	269,462	203,631	154,721	84,299
\$ 4.85	\$ 3.46	\$ 2.67	\$ 2.10	\$ 1.59	\$ 1.21	\$.72
121.26%	159.60%	240.28%	123.11%	120.08%	123.23%	133.59%
58.91%	74.66%	37.62%	43.95%	50.99%	43.38%	50.86%
19.44%	19.00%	15.93%	16.96%	15.41%	15.96%	13.09%
3.14%	3.96%	4.21%	3.79%	3.34%	3.07%	2.42%
50.71%	31.11%	8.40%	18.77%	32.40%	51.41%	24.29%
27.49%	27.61%	26.25%	26.15%	24.55%	23.81%	14.44%
22.92%	25.95%	26.77%	28.77%	28.27%	30.49%	24.48%
25.64%	27.43%	27.77%	27.22%	25.59%	21.50%	15.18%

ACQUISITIONS

On January 6, 1994, Tyson Foods, Inc. (the Company) acquired Gorges Foodservice, Inc. (Gorges) and certain related assets. Gorges is a beef further-processing company with annual sales of approximately \$55 million. On April 19, 1994, the Company increased its 18% ownership interest to 50.1% in Trasgo, S.A. de C.V. (Trasgo). With annual sales of approximately \$140 million, Trasgo is the third largest poultry producer and processor in Mexico, serving both retail and foodservice markets. Effective July 3, 1994, the Company acquired certain assets of Culinary Foods, Inc., a manufacturer and processor of value-added specialty frozen foods with annual sales of approximately \$70 million. On August 18, 1994, the Company increased its 50% ownership interest to 100% in Cobb-Vantress, Inc., one of the world's leading suppliers of breeding stock to the broiler industry with annual sales of approximately \$35 million, excluding sales to Tyson. These transactions have been accounted for as purchases, and the results of operations for these entities have been included in the Company's consolidated results of operations since the acquisition dates, but are not included in the results of operations for fiscal 1993 and prior years. These factors should be considered when making comparisons to fiscal 1993.

In the first quarter of fiscal 1993, the Company acquired Arctic Alaska Fisheries Corporation (Arctic), a seafood company; certain assets of Oscar Mayer Foods Corporation known as Louis Kemp Seafood Company (Louis Kemp), a seafood further-processing company; a pork processing plant in Marshall, Missouri; and Brandywine Foods, Inc. (Brandywine), a poultry further-processing company. The results of operations of these acquisitions and purchases are included in the Company's results of operations from the acquisition dates, but are not included in the results of operations for fiscal 1992 and prior years. These factors should be considered when making comparisons to fiscal 1992.

SPECIAL CHARGES

During the third quarter of 1994 the Company recorded special charges for the excess of investments over net assets acquired totaling approximately \$191 million plus an additional \$23 million for impaired long-lived assets of Arctic, a wholly-owned subsidiary. The after-tax impact of these special charges was approximately \$205 million or \$1.38 per share. Arctic has consistently performed below pre-acquisition expectations. The Company's management has attempted to open marketing and distribution channels for this business, initiated cost reduction and efficiency measures, and explored global expansion opportunities. Competition for the allowable resource of fish in the waters of the Pacific Northwest has become very intense in the past few years. More vessels with greater production capacities are now competing for the limited quotas set by government regulatory agencies. Allocations toward onshore processing have created a competitive disadvantage for Arctic due to its significant at-sea processing capabilities. Global expansion has failed to materialize in spite of extensive management efforts. Market prices which had risen significantly during the two years prior to acquisition have fallen back to more modest levels. These conditions have led to shorter fishing seasons, less production per vessel, significant excess production capacity and continuing losses. After continued evaluation of business opportunities for Arctic, management has concluded that there is permanent impairment of the carrying value of Arctic's intangible assets and certain other long-lived assets. See Notes 1 and 2 of Notes to Consolidated Financial Statements.

RESULTS OF OPERATIONS

The table of changes in results of operations shows dollar and percent changes in the components of operating results for the past two fiscal years. The Company's accounting cycle resulted in a 52 week year for fiscal 1994 and 1993, compared to a 53 week year for fiscal 1992. The following discussion relates to the table and the graphs presented.

(In thousands except per share data)

Changes in Results of Operations	1994 vs. 1993		1993 vs. 1992	
	\$ Increase (Decrease)	% Change	\$ Increase (Decrease)	% Change
Sales	\$ 402,874	8.6	\$538,556	12.9
Cost of Sales	352,511	9.3	406,196	12.0
Operating Expenses	230,713	43.1	88,490	19.8
Other Expense (Income)	10,668	16.2	(4,726)	(6.7)
Income Before Taxes on Income	(191,018)	(61.7)	48,596	18.6
Provision for Income Taxes	(8,556)	(6.6)	28,796	28.7
Net Income (Loss)	(182,462)	(101.2)	19,800	12.3
Earnings (Loss) Per Share	\$ (1.23)	(100.8)	\$ 0.06	5.2

Sales for fiscal 1994 increased 8.6% over fiscal 1993. Consumer poultry sales accounted for a 6.6% increase in total sales. The increase in consumer poultry sales was primarily attributable to a 7.7% increase in tonnage and a 1% increase in average sales prices. Trasgo accounted for 18.4% of the increase in consumer poultry sales. Beef and pork sales increased fiscal 1994 total sales by 2.9%. The increase in beef and pork sales was due to the acquisition during the year of a beef further-processing company and additional production from a new pork processing facility which was not fully-operational during fiscal 1993. Mexican food, prepared foods, live swine and other sales as a group decreased sales for fiscal 1994 compared to fiscal 1993 by 0.8%. Seafood sales decreased fiscal 1994 total sales by 0.4% due to a 5.1% decrease in tonnage and a 2.5% decrease in average sales prices. Seafood sales volumes and profit margins continue to be adversely affected by various factors including government fishing regulations, intense industry competition and fluctuations in market prices. By-product sales to the animal and pet food industry increased fiscal 1994 total sales by 0.3% compared to fiscal 1993. Over the past five years total sales have grown at a compounded annual rate of 15%.

Sales for fiscal 1993 increased 12.9% over fiscal 1992. Consumer poultry sales accounted for a 4.2% increase in total sales. The increase in consumer poultry sales was attributable to an 8.1% increase in tonnage partially offset by a 2.6% decrease in average sales prices. By-product sales to the animal and pet food industry increased fiscal 1993 total sales by 0.1% compared to fiscal 1992. Beef, pork, Mexican food products and other specialty items increased total fiscal 1993 sales by 3.5%. This change was primarily due to a 40.7% increase in beef and pork sales tonnage compared to the previous year which primarily resulted from the Company's new pork processing facility in Marshall, Missouri. Mexican food sales tonnage increased 25.3% and prices increased 0.8% in fiscal 1993 compared to fiscal 1992. Reduced numbers of live swine sales resulted in a decrease in fiscal 1993 total sales by 1%. This decrease was primarily the result of a portion of the Company's live swine production being integrated with the Company's new pork processing facility. Seafood sales increased fiscal 1993 total sales 78 (23)

by 6.1% due to the acquisitions of Arctic and Louis Kemp.

The increase in cost of goods sold for 1994 over 1993 of 9.3% was mainly the result of the increase in sales plus a 6% increase in feed ingredient costs for live poultry. Although grain costs began decreasing during the third quarter of 1994, past increases affected poultry, swine and Mexican food production cost. The Company's strategy of adding value to poultry products through further-processing offsets a portion of the impact of higher grain cost. As a percent of sales, cost of sales increased to 81.2% in 1994 compared to 80.7% in 1993. The Company monitors and compares costs for labor, raw material purchases, utilities and other expenses to companies within the industry as part of its cost control measures and believes such costs are at least within industry averages.

The increase in cost of goods sold for 1993 over 1992 of 12% was mainly the result of increased sales volume and the acquisitions of Arctic, Louis Kemp and Brandywine, partially offset by a 3.9% decrease in feed ingredient costs for live poultry. While average feed costs for fiscal year 1993 were lower than the previous year, costs for the fourth quarter increased over the fourth quarter of 1992. This increase is attributable to the flooding in the midwest during the summer of 1993 and its impact on the region's agriculture. As a percent of sales, cost of sales decreased to 80.7% in 1993 compared to 81.3% in 1992.

Operating expenses increased 43.1% for 1994 over 1993. Special charges related to Arctic accounted for 92.7% of this increase in operating expenses. As a percent of sales, selling expense decreased to 8.3% in 1994 compared to 8.4% in 1993. Selling expense decreased primarily due to decreased sales promotional and advertising expenditures offset slightly by increased expenses related to Trasgo. Costs incurred in connection with the sale of accounts receivable, which are classified as general and administrative expense, were \$1.4 million in 1994 compared to \$9.6 million in 1993. This decrease was due to the discontinuance of the sale of accounts receivable. Certain other administrative costs decreased compared to 1993 due to cost control and administrative initiatives instituted by management. As a percent of sales, general and administrative expense was 1.9% in 1994 compared to 2.3% in 1993, and amortization expense was 0.6% in 1994 compared to 0.7% in 1993.

Operating expenses increased 19.8% for 1993 over 1992. As a percent of sales, selling expense increased to 8.4% in 1993 compared to 7.7% in 1992. Selling expense increased due primarily to increases in promotional, storage and transportation expenses. Costs incurred in connection with the sale of accounts receivable, which are classified as general and administrative expense, were \$9.6 million in 1993 compared to \$9.3 million in 1992. This increase was primarily a result of an increase in the amount of accounts receivable sold which were partially offset by lower program costs. As a percent of sales, general and administrative expense was 2.3% in both 1993 and 1992, and amortization expense was 0.7% in 1993 and 1992.

Interest expense increased 18.2% in 1994 compared to 1993. Short-term interest rates were lower compared to 1993, due to market conditions and the Company's use of less costly borrowing alternatives which lowered the weighted average interest rate of all Company debt in 1994 compared to 1993. These lower rates were offset by a higher level of borrowing due to the discontinuance of the sale of accounts receivable, as the Company's average indebtedness increased 28.7% compared to 1993. As a percent of sales, interest expense increased to 1.7% in 1994 compared to 1.5% in 1993. The average interest rate on the Company's total debt for fiscal year 1994 was 6.6% compared to 7.2% for 1993 fiscal year.

Interest expense decreased 5.3% in 1993 from 1992 mainly from lower overall interest rates in 1993 as compared to 1992. This decrease in interest expense was partially offset by the increase in expense from increased debt as a result of the existing debt of Arctic. As a percent of sales, interest expense decreased to 1.5% in 1993 compared to 1.8% in 1992. The average interest rate on the Company's total debt for 1993 fiscal year was 7.2% compared to 8.5% for 1992 fiscal year.

The effective tax rate for 1994 was 101.8% due to the non-deductibility of special charges related to Arctic's excess of investments over net assets acquired. Without special charges, the effective tax rate would have been 39% for fiscal 1994 compared to 41.8% for fiscal 1993. The federal income tax rate increase in 1993 resulted in a one-time increase in deferred income taxes of \$9 million. The effective tax rate for fiscal 1993 compared to fiscal 1992 also included \$1.6 million of additional taxes due to the tax rate increase. The effective tax rate generally reflects the statutory federal income tax rate plus the impact of the nondeductibility of amortization of excess of investments over net assets acquired. Return on total average assets for 1994 was (0.06%) compared to 5.8% for 1993, with a five year average of 4.2%. The return on total average assets for 1994 would have been 5.7% without special charges. Because of the special charges related to Arctic, return on average shareholders' equity for 1994 was (0.16%) compared to 14.7% for 1993. Also due to special charges, the five-year return on average shareholders' equity has been reduced to 12.8%. Excluding special charges, return on average shareholders' equity would have been 14.1% for the year and 16.7% for the five years. Return on shareholders' equity based on year end shareholders' equity excluding special charges for the year would yield a return of 15.7%.

LIQUIDITY AND CAPITAL RESOURCES

During fiscal 1994, cash flow, working capital, noncurrent assets and long-term debt were all impacted by various acquisitions. These factors should be considered when analyzing the Company's financial condition. In fiscal 1994, net cash of \$50.3 million was provided by operating activities. This was a decrease of \$258.1 million from 1993. The decrease in cash flow from operations was primarily attributable to an increase in accounts receivable which resulted from management's decision to discontinue an accounts receivable sale agreement. Finished inventories have increased from 1993 fiscal year end due to servicing the sales growth base which includes acquisitions during the fiscal year, as well as increased operations in pork processing and shifts in product mix. Financing activities provided net cash of \$265.5 million, primarily due to additional long-term debt incurred from the issuance of commercial paper. The Company used funds generated from operating and financing activities to fund additions to property, plant and equipment. In addition to the aforementioned acquisitions, the expenditures for property, plant and equipment were related to new equipment and upgrading facilities to take advantage of marketing opportunities as well as the Company's continuing effort to increase efficiencies, reduce overall cost and meet or exceed environmental laws and regulations.

At 1994 fiscal year end, working capital was \$721.5 million compared to \$285.1 million at the end of 1993, an increase of \$436.4 million. The current ratio for 1994 is 2.34 to 1 compared to 1.54 to 1 for 1993. Working capital and the current ratio have increased from 1993 mainly due to management's decision to discontinue the sale of accounts receivable and increase commercial paper borrowings to achieve lower financing costs. The Company's foreseeable cash needs for operations and capital expenditures will continue to be met through cash flows from operations and borrowings supported by existing credit facilities and additional credit facilities which are available to the Company.

Long-term debt at fiscal year end was \$1.4 billion, an increase of \$461 million from fiscal 1993 primarily due to the Company's discontinuance of the \$275 million accounts receivable sale agreement and the financing of this amount through the sale of commercial paper. The commercial paper program was initiated in July 1993, following receipt by the Company of an "A- 2" rating from Standard & Poor's Corporation and a "P- 2" rating from Moody's Investors Service. The Company's two unsecured revolving credit facilities provide up to \$1.5 billion of financing which supports the commercial paper program. At October 1, 1994, \$909.2 million was outstanding under or supported by the \$1.5 billion financing facilities consisting of \$852.2 million of commercial paper and \$57 million drawn under the revolving credit facilities. Additional outstanding debt at October 1, 1994, consisted of \$366 million of institutional notes, \$30 million of bank notes and \$76.3 million of other indebtedness such as industrial revenue bonds. Additionally, at October 1, 1994, the Company had \$457.9 million in unused, unsecured lines of credit.

The revolving credit agreements and institutional notes contain various covenants, the more restrictive of which require maintenance of a minimum net worth, current ratio, cash flow coverage of interest and fixed charges and a maximum total debt to capitalization ratio. The Company is in compliance with these covenants.

Shareholders' equity decreased 5.2% during 1994 but has grown at a compounded annual rate of 23.6% over the past five years, inclusive of \$214 million of special charges in 1994, \$205.2 million of Class A stock issued for Arctic in 1993 and \$89.6 million received from the sale of Class A stock during 1990. During 1994, the Company initiated an open market stock repurchase program which authorized the purchase of up to 15 million shares of the Company's Class A common stock. The Company intends to utilize shares repurchased to fund employee benefit plans and increase treasury stock. No timetable has been set for completion of the repurchase program. As of October 1, 1994 the Company had purchased approximately 2.5 million shares under the repurchase program.

Total assets have increased by \$1.1 billion or 41.8% over the past five years inclusive of acquisitions. Additions, net of dispositions, to total property, plant and equipment for the last five years were \$1.2 billion including acquisitions, an increase of 85.2% over the last five years. At fiscal year end, the Company had construction projects in progress that will require approximately \$151.5 million to complete. In January 1994, the Company announced plans to add four new poultry-processing complexes to be completed over the next three years. This increase will enable the Company to meet anticipated demand over the next three years. The Company has already announced that the first of the four complexes is being built and should be ready to start production in mid-1995. The Company is also constructing another plant for production of Mexican food products. Funding for these expenditures will be provided by cash from operations or additional borrowings which will be subjected to debt covenants discussed in Note 5 of Notes to Consolidated Financial Statements.

ENVIRONMENTAL MATTERS

Before environmental issues were at the forefront of the nation's concerns, the Company had many environmentally responsible practices. Consequently, management believes that they have no incidence of environmental contamination or damages requiring material expenditures on the Company's part. The Company has a strong financial commitment to clean water. During fiscal 1994, the Company invested approximately \$37.7 million in water quality, including both capital outlays totaling \$6.7 million to build and upgrade facilities and an additional \$31 million for day-to-day operations.

Tyson Foods, Inc.
Consolidated Statements of Operations
Three Years Ended October 1, 1994

(In thousands except per share data)

	1994	1993	1992
Sales	\$5,110,270	\$4,707,396	\$4,168,840
Cost of Sales	4,149,050	3,796,539	3,390,343
	961,220	910,857	778,497
Operating Expenses:			
Selling	426,495	397,361	322,221
General and administrative	95,895	107,201	95,102
Amortization	29,714	30,753	29,502
Special charges	213,924		
	766,028	535,315	446,825
Operating Income	195,192	375,542	331,672
Other Expense (Income):			
Interest	86,063	72,811	76,887
Other	(9,488)	(6,904)	(6,254)
	76,575	65,907	70,633
Income Before Taxes on Income	118,617	309,635	261,039
Provision for Income Taxes	120,745	129,301	100,505
Net Income (Loss)	\$ (2,128)	\$ 180,334	\$ 160,534
Earnings (Loss) Per Share	\$ (0.01)	\$ 1.22	\$ 1.16
Average Shares Outstanding	147,778	148,341	138,392

See accompanying notes.

Tyson Foods, Inc.
Consolidated Balance Sheets
October 1, 1994 and October 2, 1993

(In thousands except per share data)

Assets	1994	1993
Current Assets:		
Cash and cash equivalents	\$ 27,020	\$ 21,547
Accounts receivable	444,216	104,767
Inventories	754,190	675,205
Other current assets	35,841	10,236
Total Current Assets	1,261,267	811,755
 Property, Plant and Equipment, at Cost:		
Land	56,128	40,144
Buildings and leasehold improvements	676,120	562,526
Machinery and equipment	1,452,156	1,277,956
Vessels	111,744	119,654
Land improvements and other	70,545	62,669
Buildings and equipment under construction	143,150	123,195
	2,509,843	2,186,144
Less accumulated depreciation	899,846	750,846
Net Property, Plant and Equipment	1,609,997	1,435,298
 Excess of Investments over Net Assets Acquired	 741,626	 924,432
 Investments and Other Assets	 55,110	 82,019
Total Assets	\$3,668,000	\$3,253,504

(In thousands except per share data)

LIABILITIES AND SHAREHOLDERS' EQUITY	1994	1993
Current Liabilities:		
Notes payable	\$ 49,360	\$ 29,800
Current portion of long-term debt	24,177	73,987
Trade accounts payable	258,589	205,592
Accrued salaries and wages	71,794	80,518
Federal and state income taxes payable	19,735	17,778
Accrued interest payable	4,253	5,744
Other current liabilities	111,875	113,286
Total Current Liabilities	539,783	526,705
Long-Term Debt	1,381,481	920,465
Deferred Income Taxes	440,546	445,588
Minority Interests in Subsidiaries	16,767	
Shareholders' Equity:		
Common stock (\$.10 par value):		
Class A-Authorized 900,000 shares; issued 79,687 shares in 1994 and 79,685 shares in 1993	7,969	7,968
Class B-Authorized 900,000 shares; issued 68,455 shares in 1994 and in 1993	6,846	6,846
Capital in excess of par value	391,358	392,693
Retained earnings	953,840	965,493
Currency translation adjustment	1,180	
	1,361,193	1,373,000
Less treasury stock-2,941 shares in 1994 and 872 shares in 1993, at cost	68,700	11,359
Less unamortized deferred compensation	3,070	895
Total Shareholders' Equity	1,289,423	1,360,746
Total Liabilities and Shareholders' Equity	\$3,668,000	\$3,253,504

See accompanying notes

Tyson Foods, Inc.
Consolidated Statements of Shareholders' Equity Three years ended October 1, 1994
(In thousands except per share data)

	Common Stock				
	Class A		Class B		Capital in Excess of Par Value
	Shares	Amount	Shares	Amount	
Balance-September 28, 1991	70,137	\$7,014	68,460	\$6,846	\$186,436
Purchase of treasury shares					
Forfeiture of restricted shares					
Exercise of stock options					962
Exchange of Class B for Class A	2		(2)		
Net income					
Amortization of deferred compensation					
Cash dividends paid: (\$.04 per share, Class A; \$.033 per share, Class B)					
Balance-October 3, 1992	70,139	7,014	68,458	6,846	187,398
Purchase of treasury shares					
Forfeiture of restricted shares					
Stock issued:					
Exercise of options					1,060
Business acquisitions	9,543	954			204,220
Other					15
Exchange of Class B for Class A	3		(3)		
Net income					
Amortization of deferred compensation					
Cash dividends paid: (\$.04 per share, Class A; \$.033 per share, Class B)					
Balance-October 2, 1993	79,685	7,968	68,455	6,846	392,693
Purchase of treasury shares					
Shares awarded for employee stock plans					
Forfeiture of restricted shares					
Stock issued:					
Exercise of options					(1,363)
Other	2	1			28
Net loss					
Amortization of deferred compensation					
Currency translation adjustment					
Cash dividends paid: (\$.07 per share, Class A; \$.0583 per share, Class B)					
Balance-October 1, 1994	79,687	\$7,969	68,455	\$6,846	\$391,358

See accompanying notes.

Retained Earnings	Currency	Treasury Stock		Unamortized	
	Translation Adjustment	Shares	Amount	Deferred Compensation	Total
\$635,097		1,217	\$ (9,392)	\$(3,510)	\$ 822,491
		65	(1,231)		(1,231)
		16	(195)	195	
		(198)	1,069		2,031
160,534					160,534
				1,405	1,405
(5,041)					(5,041)
790,590		1,100	(9,749)	(1,910)	980,189
		184	(4,140)		(4,140)
		5	(60)	60	
		(416)	2,582		3,642
		(1)	8		205,174
					23
180,334					180,334
				955	955
(5,431)					(5,431)
965,493		872	(11,359)	(895)	1,360,746
		2,797	(66,901)		(66,901)
		(130)	3,120	(3,120)	
		2	(25)	25	
		(600)	6,465		5,102
					29
(2,128)					(2,128)
				920	920
	1,180				1,180
(9,525)					(9,525)
\$953,840	\$1,180	2,941	\$(68,700)	\$(3,070)	\$1,289,423

Tyson Foods, Inc.
Consolidated Statements of Cash Flows
Three Years Ended October 1, 1994
(In thousands)

	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (2,128)	\$180,334	\$160,534
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation	158,611	145,756	119,363
Amortization	29,714	30,753	29,502
Special charges	213,924		
Deferred income taxes	(2,370)	5,378	17,883
Loss on dispositions of property and equipment	2,800	695	218
(Increase) decrease in accounts receivable	(307,400)	35,344	(25,259)
(Increase) decrease in inventories	(34,000)	(66,909)	10,606
Increase (decrease) in trade accounts payable	35,595	(41,001)	7,414
Net change in other current assets and liabilities	(44,479)	18,052	(54,381)
Cash Provided by Operating Activities	50,267	308,402	265,880
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash paid for acquisitions	(82,893)	(43,377)	
Additions to property, plant and equipment	(232,108)	(225,305)	(107,990)
Proceeds from sale of property, plant and equipment	8,502	7,387	6,615
Net change in other assets and liabilities	(3,750)	(41,393)	(3,309)
Cash Used for Investing Activities	(310,249)	(302,688)	(104,684)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in notes payable	3,462	(29,200)	(10,000)
Proceeds from long-term debt	412,267	977,421	131,941
Repayments of long-term debt	(81,079)	(954,497)	(278,694)
Purchase of treasury shares	(66,901)	(4,140)	(1,231)
Dividends and other	(2,294)	(811)	(1,605)
Cash Provided by (Used for) Financing Activities	265,455	(11,227)	(159,589)
Increase (Decrease) in Cash	5,473	(5,513)	1,607
Cash and Cash Equivalents at Beginning of Year	21,547	27,060	25,453
Cash and Cash Equivalents at End of Year	\$ 27,020	\$ 21,547	\$ 27,060

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Tyson Foods, Inc.****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of Tyson Foods, Inc. and its subsidiaries (the Company or Tyson). All significant intercompany accounts and transactions have been eliminated.

FISCAL YEAR: The Company utilizes a 52 or 53 week accounting period which ends on the Saturday closest to September 30.

FOREIGN CURRENCY TRANSLATION: All foreign affiliates have a foreign functional currency. Assets and liabilities of the Company's foreign affiliates are translated at current exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as a component of shareholders' equity.

CASH AND CASH EQUIVALENTS: Cash equivalents consist of investments in short- term, highly-liquid securities having original maturities of three months or less made as part of the Company's cash management activity. The carrying values of these assets approximate their fair values. As a result of the Company's cash management system, checks issued but not presented to the banks for payment may create negative cash balances. Checks outstanding in excess of related cash balances totaling approximately \$117.6 million at October 1, 1994 and \$96.9 million at October 2, 1993, are included in trade accounts payable, accrued salaries and wages and other current liabilities.

INVENTORIES: Inventories, valued at the lower of cost (first-in, first-out) or market, consist of the following:

	(in thousands)	
	1994	1993
Dressed and further-processed products	\$346,846	\$299,388
Live poultry and hogs	255,904	207,848
Seafood related products	36,494	53,064
Hatchery eggs and feed	44,048	40,110
Supplies	70,898	74,795
	\$754,190	\$675,205

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION: Depreciation is provided primarily by the straight-line method using estimated lives for buildings and leasehold improvements of 10 to 39 years; machinery and equipment of 3 to 12 years; vessels of 16 to 30 years; and other of 3 to 20 years. Depreciation expense in 1994, 1993 and 1992 was \$158.6 million, \$145.8 million and \$119.4 million, respectively.

The Company capitalized interest costs of \$2 million in 1994, \$1.6 million in 1993 and \$895 thousand in 1992 as part of the cost of major asset construction projects. Approximately \$151.5 million will be required to complete construction projects in progress at October 1, 1994.

EXCESS OF INVESTMENTS OVER NET ASSETS ACQUIRED: Costs in excess of net assets of businesses purchased are amortized on a straight-line basis over periods ranging from 15 to 40 years. The carrying value of excess of investments over net assets acquired is reviewed at each balance sheet date to determine if facts and circumstances suggest that it may be impaired. If this review indicates that the excess of investments over net assets acquired may not be recoverable, an estimate of the undiscounted cash flows of the entity acquired is prepared and the Company's carrying value of excess of investments over net assets acquired will be reduced by the estimated shortfall of cash flows. At October 1, 1994 and October 2, 1993, the accumulated amortization of excess of investments over net assets acquired was \$106.7 million and \$90.4 million, respectively.

CAPITAL STOCK: Holders of Class B stock may convert such stock into Class A stock on a share for share basis. The holders of Class B stock are entitled to ten votes per share while the holders of Class A stock are entitled to one vote per share on matters submitted to shareholders for approval. Cash dividends cannot be paid to the holders of Class B stock unless they are simultaneously paid to the holders of Class A stock, and the per share amount of the cash dividend paid to the holders of Class B stock cannot exceed 90% of the cash dividend simultaneously paid to the holders of Class A stock.

During 1994, the Company initiated an open market stock repurchase program which authorized the purchase of up to 15 million shares of the Company's Class A common stock. The Company intends to utilize shares repurchased to fund employee benefit plans and increase treasury stock. No timetable has been set for completion of the repurchase program. As of October 1, 1994 the Company had purchased approximately 2.5 million shares under the repurchase program.

EARNINGS PER SHARE: Earnings per share is computed by dividing net income by the weighted average number of shares and share equivalents outstanding during each year.

INCOME TAXES: The Company follows the liability method in accounting for deferred income taxes. The liability method provides that deferred tax liabilities are recorded at currently enacted tax rates based on the difference between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

NOTE 2: ACQUISITIONS AND SPECIAL CHARGES

On January 6, 1994, the Company acquired Gorges Foodservice, Inc. (Gorges) and certain related assets. Gorges is a beef further-processing company with annual sales of approximately \$55 million. On April 19, 1994, the Company increased its 18% ownership interest to 50.1% in Trasgo, S.A. de C.V.(Trasgo). With annual sales of approximately \$140 million, Trasgo is the third largest poultry producer and processor in Mexico, serving both retail and foodservice markets. Effective July 3, 1994, the Company acquired certain assets of Culinary Foods, Inc., a manufacturer and processor of value-added specialty frozen foods with annual sales of approximately \$70 million. On August 18, 1994, the Company increased its 50% ownership interest to 100% in Cobb-Vantress, Inc., one of the world's leading suppliers of breeding stock to the broiler industry with annual sales of approximately \$35 million, excluding sales to Tyson. These transactions have been accounted for as purchases, and the results of operations for these acquisitions have been included in the Company's consolidated results of operations since the acquisition dates. Pro forma operating results are not presented as they would not differ materially from actual results for 1994 and 1993.

On October 5, 1992, the Company acquired Arctic Alaska Fisheries Corporation (Arctic), a seafood company. Additionally, on December 4, 1992, the Company acquired Brandywine Foods, Inc. (Brandywine), a poultry further-processing company. The Company issued stock and paid cash for a total of \$248.6 million for Arctic and Brandywine which were accounted for as purchases. The Company's consolidated results of operations include the operations of Arctic and Brandywine since the acquisition dates. The following unaudited pro forma information shows the results of the Company's operations as though the purchases of Arctic and Brandywine had been made at the beginning of fiscal year 1992—sales of \$4.4 billion, net income of \$155.8 million and earnings per share of \$1.05. The unaudited pro forma results are not necessarily indicative of the actual results of operations that would have occurred had the purchases actually been made at the beginning of fiscal year 1992. Pro forma results for 1993 would be approximately the same as 1993 actual results, since the acquisitions were made at or near the beginning of fiscal 1993.

During the third quarter of fiscal 1994, the Company recorded special charges for the excess of investments over net assets acquired totaling approximately \$191 million plus an additional \$23 million for impaired long-lived assets of Arctic. The impact of these special charges after-tax was approximately \$205 million or \$1.38 per share.

Government restrictions on fishing, intense industry competition and fluctuations in market prices have continued to adversely affect Arctic. Based on Arctic's continued performance below pre-acquisition expectations, the Company made an impairment evaluation and determined that Arctic's balance of excess of investments over net assets acquired would not be recovered.

The methodology used to assess the recoverability of Arctic's excess of investments over net assets acquired involved projecting aggregate cash flows. The Company's projection assumes that Arctic's sales volumes and prices will be comparable to the results for 1994. Due to government restrictions on fishing and the addition into the fishing waters of the North Pacific of new higher production capacity vessels by competitors, the Company did not assume any increases in volume for the projected cash flows. The aggregate undiscounted value of these projected cash flows are sufficient only to recover a portion of the carrying value of the tangible net assets of Arctic and would not provide any recovery of the \$191 million of excess of investments over net assets acquired related to Arctic. Additionally, the Company's projection indicated that approximately \$23 million of Arctic's long-lived assets were impaired. The Company believes that its projection, based on recent historic trends and current market conditions, is its best estimate of Arctic's future performance, although there can be no assurances that such estimates will be indicative of future results, which ultimately may be less than or greater than these estimates.

NOTE 3: FINANCIAL INSTRUMENTS AND CREDIT RISK CONCENTRATION

Off-Balance Sheet Risk: The Company has entered into foreign exchange forward contracts to hedge some of its foreign currency exposure. Foreign exchange forward contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. The Company uses such contracts to hedge exposure to changes in foreign currency exchange rates associated with certain assets and obligations denominated in foreign currency. Gains and losses on these contracts are recognized concurrently with the transaction gains and losses from the associated exposures.

At October 1, 1994, the Company had outstanding forward exchange contracts, maturing on October 31, 1994, to sell \$9.1 million of foreign currency (principally Japanese yen). These forward exchange contracts hedge balance sheet and operating income currency exposures.

Concentrations of Credit Risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. At October 1, 1994, the Company does not have significant credit risk concentrations. No single group or customer represents greater than 10% of total accounts receivable.

At October 2, 1993, the Company had an asset sale agreement with an unrelated financial institution which allowed the Company to sell up to \$275 million of accounts receivable. As sold accounts receivable were collected, new qualifying accounts were substituted such that the outstanding balance remained at \$275 million. In November 1993, the Company discontinued this asset sale agreement due to lower financing costs available through the sale of commercial paper, which resulted in an increase in accounts receivable of \$275 million.

NOTE 4: INCOME TAXES

At the beginning of fiscal 1994, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109). This statement supersedes Statement of Financial Accounting Standards No. 96 (SFAS No. 96), the method previously followed by the Company. Both SFAS No. 109 and SFAS No. 96 require the liability method be used to account for deferred income taxes. The liability method provides that deferred tax liabilities are recorded at current tax rates based on the difference between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes referred to as temporary differences. The effect of adoption of SFAS No. 109 did not affect the Company's financial position or results of operations.

Detail of the provision for income taxes consists of:

	(In thousands)		
	1994	1993	1992
Federal	\$107,413	\$114,461	\$ 88,838
State	13,332	14,840	11,667
	\$120,745	\$129,301	\$100,505
Current	\$123,115	\$123,923	\$ 82,622
Deferred	(2,370)	5,378	17,883
	\$120,745	\$129,301	\$100,505

The reasons for the difference between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

	1994	1993	1992
U.S. federal income tax rate	35.0%	35.0%	34.0%
Special charges	62.6		
Amortization of excess of investments over net assets acquired	2.8	2.8	2.7
State income taxes	2.8	3.1	3.0
Effect of tax rate increase on deferred income taxes		2.9	
Other differences, net	(1.4)	(2.0)	(1.2)
Effective income tax rate	101.8%	41.8%	38.5%

Significant components of the Company's deferred tax liabilities as of October 1, 1994 are as follows:

	(In thousands)
Basis difference in property, plant and equipment	\$227,431
Suspended taxes from conversion to accrual method	150,162
Other	62,953
Total deferred tax liabilities	\$440,546

The Omnibus Budget Reconciliation Act of 1987 required family-owned farming businesses to use the accrual method of accounting for tax purposes. Internal Revenue Code Section 447(i) provides that if any family corporation is required to change its method of accounting for any taxable year, such corporation shall establish a suspense account in lieu of taking the adjustments into taxable income. The suspense account, which represents the initial catch-up adjustment to change from the cash to accrual method of accounting, is not currently includable in the Company's taxable income and any related income taxes are deferred. However, the deferred amount will be included in taxable income if the business ceases to be family-owned or if gross receipts from farming activities in future years drop below certain 1987 levels. A corporation is family-owned when at least 50 percent of the total combined voting power of all classes of stock of the corporation are owned by family members of the same family. Both of the deferral conditions relative to ownership and gross receipts continue to be met by the Company. The Company also believes that these conditions will continue to be met for the foreseeable future.

NOTE 5: LONG-TERM DEBT

Long-term debt consists of the following:

(In thousands)			
	Maturity	1994	1993

Commercial paper:			
(4.91% effective rate at 10/1/94)	1999	\$ 852,162	\$497,245
Institutional notes:			
10.33% notes	1996-1999	135,000	135,000
10.61% notes	1999-2001	125,000	125,000
10.75% notes	1995-1996	26,000	39,000
10.84% notes	2002-2006	50,000	50,000
11.375% notes	1996-2001	30,000	30,000
Revolving credit facility			
(5.04% effective rate at 10/1/94)	1999	57,000	
Bank loans (6.72%-7.22% effective rates at			
10/1/94)	1999	30,000	
Other	various	76,319	44,220

		\$1,381,481	\$920,465

The Company has two unsecured revolving credit agreements totaling \$1.5 billion which expire in June, 1999. These agreements support the Company's commercial paper program which was initiated in July, 1993. At October 1, 1994, \$909.2 million was outstanding under the \$1.5 billion financing facilities. Additionally, at October 1, 1994, the Company had \$457.9 million in unused, unsecured lines of credit available.

Annual maturities of long-term debt for the five years subsequent to October 1, 1994 are: 1995-\$24.2 million; 1996-\$65.9 million; 1997-\$65 million; 1998- \$51 million and 1999-\$972.4 million.

The revolving credit agreements and institutional notes contain various covenants, the more restrictive of which require maintenance of a minimum net worth, current ratio, cash flow coverage of interest and fixed charges and a maximum total debt-to-capitalization ratio.

The fair value of long-term debt is determined based upon quoted market prices for the same or similar issues or on the Company's incremental borrowing rate for debt of the same remaining maturities. At October 1, 1994, the fair value of long-term debt was approximately \$1.4 billion.

NOTE 6: RESTRICTED STOCK AND STOCK OPTIONS

In 1994, the Company awarded 130,000 restricted shares of Class A stock to employees. The restrictions expire over periods ranging from ten to twenty- six years. The unamortized portion is classified on the balance sheet as deferred compensation. In 1989, the Company issued 615,912 restricted shares of Class A stock to employees which are no longer restricted as to transferability. In 1994, 1993 and 1992, restrictions were removed from 73,119 shares, 82,943 shares and 133,933 shares, respectively, and the related unamortized deferred compensation was expensed.

The Company has qualified (6 million shares authorized) and nonqualified (1.5 million shares authorized) stock option plans, both of which provide for the granting of options for shares of Class A stock at a price not less than the fair market value at the date of grant. The options generally become exercisable ratably over five to eight years from the date of grant and must be exercised within ten years of the grant date. Activity for the plans for 1994, 1993 and 1992 was as follows:

(In thousands except per share data)			
	Shares Under Option	Option Price	
		Per Share	Total

Outstanding, September 28, 1991	2,046	\$7.50-11.94	\$18,596
Exercised	(198)	7.50-11.94	(2,031)
Canceled	(61)	7.50-11.94	(507)

Outstanding, October 3, 1992	1,787	7.50-11.94	16,058
Exercised	(416)	6.91-11.94	(3,642)
Canceled	(85)	6.94-21.63	(928)
Granted	2,247	6.91-21.63	40,995

Outstanding, October 2, 1993	3,533	6.92-21.63	52,483
Exercised	(600)	6.92-11.94	(5,102)
Canceled	(156)	6.93-21.63	(3,007)
Granted	791	21.50	16,994

Outstanding, October 1, 1994	3,568	\$7.19-21.63	\$61,368

Exercisable, October 1, 1994	906		

The remainder of the options are exercisable ratably through April 2003.

NOTE 7: CONTINGENCIES AND COMMITMENTS

CONTINGENCIES: The Company is involved in various lawsuits and claims made by third parties on an ongoing basis as a result of its day-to-day operations, including the following two matters relating to Arctic Alaska Fisheries Corporation (Arctic). In April 1994, after investigations beginning as early as 1990, a Federal Grand Jury in Seattle, Washington indicted former officers, directors and employees of Arctic as well as Arctic on criminal charges stemming from the sinking of the fishing vessel Aleutian Enterprise in 1990 and other matters relating to overall operation of Arctic. In September 1994, the Federal Grand Jury issued superseding indictments against the former officers, directors and employees as well as Arctic on substantially identical criminal charges with two prior indictees being dismissed. The factual allegations giving rise to the fifty-three (53) count multiple indictments now pending in the United States District Court, Western District of Washington at Seattle, occurred prior to the Company's acquisition of Arctic on October 5, 1992. Conviction of the individuals, as well as Arctic, carries penalties and fines ranging from a maximum fine or penalty per count of \$500,000 and 10 years in prison. The Company anticipates that a trial of a portion of the defendants on the indictments will begin in June of 1995. Also, on September 8, 1993, the State of Alaska, after conducting investigations, filed a Complaint for Forfeiture and Damages 94 (39)

alleging that certain Arctic vessels participated in the use of certain fishing gear during 1990, 1991 and 1992. While management is not able at the present time to determine the outcome of these matters, based upon information currently available, management presently does not believe that any of these lawsuits or claims by third parties will have a material adverse effect on the Company's financial position.

OPERATING LEASES: The Company leases certain farms and other properties and equipment for which the total rentals thereon approximated \$29.6 million in 1994, \$26.5 million in 1993, and \$17.2 million in 1992. Most farm leases are for a three year term and are renewable for a total of nine additional years. The most significant obligations assumed under the terms of the leases are the upkeep of the facilities and payment of insurance and property taxes.

LEASE COMMITMENTS: Minimum lease commitments under noncancelable leases at October 1, 1994 total \$79.3 million composed of \$25 million for 1995, \$18.4 million for 1996, \$12.4 million for 1997, \$9.4 million for 1998, \$6.5 million for 1999 and \$7.6 million for later years.

The Company assists certain of its swine and poultry growers in obtaining financing for growout facilities by providing the growers with extended growout contracts and conditional operation of the facilities should a grower default under their growout or loan agreement.

Redeemable Preferred Stock: Trasgo has a class of mandatorily redeemable preferred stock, for which the redemption price is cumulative and determined based upon "excess profits" in years from 1994 to 1999, as defined in the shareholders agreement. This price cannot be reasonably estimated at this time, but cannot exceed \$29.5 million. Trasgo cannot pay dividends until all of this preferred stock is redeemed. This redemption must take place by the year 2000. This preferred stock is included in "minority interests in subsidiaries" on the consolidated balance sheets.

NOTE 8: TRANSACTIONS WITH RELATED PARTIES

The Company has operating leases for farms, equipment and other facilities with the Chairman of the Board of the Company and certain members of his family, as well as a trust controlled by him, for rentals of \$6.8 million in 1994, \$6.4 million in 1993 and \$5.7 million in 1992. Other facilities, including a cold storage distribution facility, are also leased from other officers and directors and the Company's profit sharing plan for rentals totaling \$6.7 million in 1994, \$6.2 million in 1993 and \$6.1 million in 1992. The Company sold office facilities to the profit sharing plan for a cost of \$5.1 million in 1992.

Certain officers and directors are engaged in poultry and swine growout operations with the Company whereby these individuals purchase animals, feed, housing and other items to raise the animals to market weight. The total value of these transactions amounted to \$11.4 million in 1994, \$11.3 million in 1993 and \$8.5 million in 1992.

NOTE 9: BENEFIT PLANS

The Company has defined contribution retirement and incentive benefit programs for various groups of Company personnel. Discretionary Company contributions which are determined by the Board of Directors totaled \$21.7 million, \$19.6 million and \$17.9 million for the years ending 1994, 1993 and 1992, respectively.

In fiscal year 1992, the Company adopted Statement of Financial Accounting Standards No. 106 (SFAS No. 106) "Employers' Accounting for Post-retirement Benefits Other Than Pensions", which requires that the projected future cost of providing post-retirement benefits be recognized as an expense as employees render service instead of when the benefits are paid. The effect of adopting SFAS No. 106 was not material to the Company's financial condition or results of operations.

NOTE 10: SUPPLEMENTAL INFORMATION

Supplemental cash flow information and noncash investing and financing activities are as follows:

	(In thousands)		
	1994	1993	1992

SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid during the period for:			
Interest	\$ 89,894	\$ 72,348	\$103,827
Income Taxes	\$123,228	\$117,589	\$ 88,534

SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES			
Retirement of capital lease of property			\$ 1,559
Acquisitions:			
Fair value of assets acquired	\$ 124,023	\$537,398	
Liabilities assumed	(109,209)	(288,847)	
Fair value of assets exchanged	\$ (14,814)		
Stock issued		(205,174)	

Total cash paid		\$ 43,377	

SUPPLEMENTAL SALES INFORMATION: The Company sells certain of its products in foreign markets, primarily Japan, Hong Kong, Singapore and other Far Eastern and certain Middle Eastern countries, as well as in Canada, Russia and the Caribbean Islands. The Company's foreign sales for fiscal 1994, 1993 and 1992 totaled \$537.9 million, \$352 million and \$192.5 million, respectively. Substantially all of the Company's export sales are transacted through unaffiliated brokers and marketing associations.

NOTE 11: QUARTERLY FINANCIAL DATA (Unaudited)

(In thousands except per share data)

Quarter Ended	Sales	Gross Margin	Net Income (Loss)	Earnings (Loss) Per Share
01-01-94	\$1,152,790	\$217,375	\$ 44,379	\$.30
04-02-94	1,261,903	222,520	43,121	.29
07-02-94	1,307,697	256,708	(148,401)*	(1.00)*
10-01-94	1,387,880	264,617	58,773	.40
Fiscal 1994	\$5,110,270	\$961,220	\$ (2,128)*	\$ (.01)*
01-02-93	\$1,083,312	\$204,802	\$ 39,396	\$.27
04-03-93	1,170,411	226,903	46,088	.31
07-03-93	1,216,875	239,422	53,711	.36
10-02-93	1,236,798	239,730	41,139	.28
Fiscal 1993	\$4,707,396	\$910,857	\$180,334	\$ 1.22

* Includes special charges of \$213,924 or \$1.38 per share. See Note 2 of Notes to Consolidated Financial Statements.

PRICE OF COMPANY'S COMMON STOCK (Nasdaq stock market)

	Fiscal Year 1994		Fiscal Year 1993	
	High	Low	High	Low
First Quarter	24 1/8	21 1/8	24 7/8	19 7/8
Second Quarter	25	18 3/4	27 1/8	22 1/8
Third Quarter	23 3/4	18 7/8	24 1/4	20 1/2
Fourth Quarter	25	22 7/8	22	19 1/4

Report of Management

The management of Tyson Foods, Inc. (the Company) has the responsibility of preparing the accompanying financial statements and is responsible for their integrity and objectivity. The statements were prepared in conformity with generally accepted accounting principles applied on a consistent basis. Such financial statements are necessarily based, in part, on best estimates and judgments.

The Company maintains a system of internal accounting controls, and a program of internal auditing designed to provide reasonable assurance that the Company's assets are protected and that transactions are executed in accordance with established authorization, and are properly recorded. This system of internal accounting controls is continually reviewed and modified in response to changing business conditions and operations and to recommendations made by the independent auditors and the internal auditors. The management of the Company believes that the accounting and control systems provide reasonable assurance that assets are safeguarded and financial information is reliable.

The Audit Committee of the Board of Directors meets regularly with the Company's financial management and counsel, with the Company's internal auditors, and with the independent auditors engaged by the Company. These meetings include discussions of internal accounting controls and the quality of financial reporting. The independent auditors and the Internal Audit Department have free and independent access to the Audit Committee to discuss the results of their audits or any other matters relating to the Company's financial affairs.

The accompanying consolidated financial statements have been audited by Ernst & Young LLP, independent auditors.

November 14, 1994

/s/Don Tyson

Don Tyson
Chairman of the Board

/s/Gerald Johnston

Gerald Johnston
Executive Vice President, Finance

Report of Independent Auditors

Board of Directors and Shareholders
Tyson Foods, Inc.

We have audited the accompanying consolidated balance sheets of Tyson Foods, Inc. as of October 1, 1994 and October 2, 1993, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended October 1, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tyson Foods, Inc. at October 1, 1994 and October 2, 1993, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 1, 1994 in conformity with generally accepted accounting principles.

/s/Ernst & Young LLP

Little Rock, Arkansas
November 14, 1994

EXHIBIT 22-SUBSIDIARIES OF TYSON FOODS, INC.

Name	Where Incorporated	Names Under Which Subsidiary Does Business
Tyson Export Sales, Inc.	U.S. Virgin Islands	Tyson Export Sales, Inc.
Henry House, Inc.	Michigan	Henry House, Inc.
Tyson Breeders, Inc.	Delaware	Tyson Breeders, Inc.
Tyson Farms, Incorporated	North Carolina	Tyson Farms, Incorporated
Tyson Farms of Texas, Inc.	Texas	Tyson Farms of Texas, Inc.
Arctic Alaska Fisheries Corporation	Washington	Arctic Alaska Fisheries Corporation
Tyson Holding Company	Delaware	Tyson Holding Company
We Care Workers Compensation, Inc.	Delaware	We Care Workers Compensation, Inc.
Global Employment Services, Inc.	Delaware	Global Employment Services, Inc.
Tyson Marketing, Ltd.	Ontario	Tyson Marketing, Ltd.
Cobb-Vantress, Inc.	Delaware	Cobb-Vantress, Inc.
Culinary Foods, Inc.	Delaware	Culinary Foods, Inc.
Gorges Foodservice, Inc.	Texas	Gorges Foodservice, Inc.
Trasgo, S.A. de C.V.	Mexico	Trasgo, S.A. de C.V.
Tyson Foods of Alabama, Inc.	Alabama	Tyson Foods of Alabama, Inc.
Tyson Int'l Co., Ltd	Bermuda	Tyson International
Tyson Int'l Holding Company	Delaware	Tyson Int'l Holding Company
WLR Acquisition Corp.	Delaware	WLR Acquisition Corp.

The Company considers the foregoing to be its primary operating subsidiaries. Certain other subsidiaries which do not meet in the aggregate the definition of a significant subsidiary as defined in Rule 1-02 (v) of Regulation S-X have been excluded from this exhibit.

AAFC Holdings, Ltd.	Yukon corporation
AAFC International, Inc.	British Virgin Islands corporation
Arctic Fisheries	Washington corporation
Off Shore Ventures, Inc.	Washington corporation
Southeast Health Plan of Arkansas, Inc.	Arkansas corporation

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Tyson Foods, Inc. of our report dated November 14, 1994, included in the 1994 Annual Report to Shareholders of Tyson Foods, Inc.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 Nos. 33-30680; 33-20586; 2-81928; 2-44550; 33-53026) pertaining to certain employee benefit plans of Tyson Foods, Inc. and the Registration Statement (Form S-3 No.33-54716) on behalf of certain selling shareholders of the Company, of our reports dated November 14, 1994, with respect to the consolidated financial statements and schedules of Tyson Foods, Inc. included or incorporated by reference in this Annual Report (Form 10-K) for the year ended October 1, 1994.

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP
December 14, 1994
Little Rock, Arkansas

ARTICLE 5

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FISCAL 1994 ANNUAL REPORT TO SHAREHOLDERS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000100493

NAME: TYSON FOODS, INC.

MULTIPLIER: 1,000

PERIOD TYPE	YEAR
FISCAL YEAR END	OCT 1 1994
PERIOD END	OCT 1 1994
CASH	27,020
SECURITIES	0
RECEIVABLES	444,216
ALLOWANCES	3,264
INVENTORY	754,190
CURRENT ASSETS	1,261,267
PP&E	2,509,843
DEPRECIATION	899,846
TOTAL ASSETS	3,668,000
CURRENT LIABILITIES	539,783
BONDS	1,381,481
COMMON	14,815
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	1,274,608
TOTAL LIABILITY AND EQUITY	3,668,000
SALES	5,110,270
TOTAL REVENUES	5,110,270
CGS	4,149,050
TOTAL COSTS	4,149,050
OTHER EXPENSES	766,028
LOSS PROVISION	0
INTEREST EXPENSE	86,063
INCOME PRETAX	118,617
INCOME TAX	120,745
INCOME CONTINUING	(2,128)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(2,128)
EPS PRIMARY	(0.01)
EPS DILUTED	(0.01)

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